

# INDITEX

## Ethics Line

Procedure

Amended by the Board of Directors on 3 May 2023

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<b>Reference</b>	-
<b>Name of the Standard</b>	Ethics Line Procedure
<b>Overview</b>	This Procedure governs the good use and proceedings of the Inditex Group's Ethics Line.
<b>Scope</b>	Global
<b>Type</b>	Procedure
<b>Supervisor</b>	Ethics Committee
<b>Date of approval</b>	17 July 2012
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## 1. Background and purpose

In order to implement the principles laid down in the Codes of Conduct and the guarantees that internal reporting channels available to report Breaches and Other Breaches must offer, and to adapt them to applicable regulations on the markets where the Group operates, encompassing best practices in the field, the Board of Directors of Industria de Diseño Textil, S.A. (**Inditex**) approved on 3 May 2023, following a favourable report from the Audit and Compliance Committee, the implementation of the Internal Reporting System of the Inditex Group ("**Internal Reporting System**" or "**System**"), of which the Ethics Line is an integral part, in addition to other internal reporting channels; the Global Policy on the internal reporting channels of the Inditex Group (the "**Policy**"), that sets out the principles and guarantees that govern the channels which make up the System, and this Ethics Line Procedure, as amended, which applies the principles and guarantees covered in the Policy to the management of the Ethics Line.

Upon implementing its Ethics Line, Inditex has taken into account the principles and commitments covered in its internal regulations on personal data and privacy.

## 2. Definitions

For the purposes of this Procedure, the following terms are defined below:

### *Ethics Line*

Internal Reporting Channel of the Inditex Group considered as the preferred way for Whistleblowers to submit Concerns or Queries,

### *Internal Reporting Channels*

Mailboxes, channels and/or lines of communication, including the Ethics Line as the preferred channel, made available or accepted by the Ethics Committee, which make up the Internal Reporting System.

### *Queries*

Any question raised via the Ethics Line regarding the provisions and scope of the Codes or Conduct or other internal regulations that fall within the purview of the Ethics Committee.

### *Ethics Committee*

Collegiate body reporting to the Board of Directors via the Audit and Compliance Committee. Pursuant to the Regulations of the Ethics Committee, it shall be responsible for, inter alia, overseeing, constructing and enforcing the Codes of Conduct and the Policy, and overseeing the Ethics Line.

### *Concern (or Concerns)*

Information about Breaches or Other Breaches, including reasonable suspicion in this regard, which have taken place or which are very likely to take place, that the Whistleblower has acquired in a work, business or professional-related context.

### *Directive (EU) 2019/1937*

Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law.

***Inditex Group or Group***

Group made up of Inditex and the companies where the Company holds, directly or indirectly, at least 50% of the share capital or the voting rights.

***Inditex (also, the "Company")***

Industria de Diseño Textil, S.A. (Inditex), parent company of the Inditex Group (as defined above).

***Whistleblower***

Any employee, director and/or shareholder in any Group company, as well as any person who works under the guidance of manufacturers, suppliers, contractors and subcontractors of the Inditex Group, who in a work-related (regardless of whether the relationship has yet to begin or has ended), business-related or professional-related context, has acquired information about Breaches or Other Breaches, or has made a Query, as well as any other person who pursuant to the prevailing laws on the markets where the Group operates qualify as such.

***Breaches***

Breaches shall mean:

- / Acts or omissions that may entail a violation of the applicable laws on: public procurement; financial services, products and markets and prevention of money laundering and terrorist financing; product safety and compliance; transport safety; protection of the environment; radiation protection and nuclear safety; food safety and animal welfare; public health; consumer protection; and, protection of privacy and personal data and security of network and information systems.
- / Other violation of laws which may, within the scope of the statutory protection of the Whistleblower and of the Internal Reporting Systems, be of application in the markets where the Group operates.

***Other Breaches***

Acts or omissions that entail a breach of the Codes of Conduct or of any other internal regulations of conduct within the purview of the Ethics Committee, that meet the following requirements: (i) they are not deemed to be a Breach; (ii) they affect the Inditex Group; (iii) they have been committed by an employee, manufacturer, supplier or third party engaged in a direct employment, business or professional relationship with the Group; and, (iv) they do not qualify as Interpersonal Conflicts.

***Person concerned***

Natural or legal person who is charged in a Concern with the alleged commission of a Breach or Other Breaches.

***Retaliation***

Any act or omission which entails, directly or indirectly, an adverse treatment of the individual suffering retaliation, to their detriment in respect of others in a work-related or professional-related context, stemming from the fact that a Concern has been submitted. By way of an example, retaliation shall include suspension, lay-off, dismissal or equivalent measures, demotion or withholding of promotion and transfer of duties, change of location of place of work, reduction in wages or changes in working hours.

***Person in Charge of the Internal Reporting System***

It will be accountable for the management of the System and the diligent processing of the Concerns received via the Ethics Line. The Ethics Committee shall be the Person in Charge of the Internal Reporting System of the Inditex Group.

### *Internal Reporting System of the Inditex Group or System*

Set of Internal Reporting Channels that the Company makes available at present or which it may make available in the future, to Whistleblowers to submit Concerns, pursuant to the applicable laws in the markets where the Group operates.

### **3. Scope of application**

This Procedure shall govern the management and processing of Concerns and Queries made by Whistleblowers via the Ethics Line. It will also apply by extension to any Internal Reporting Channel implemented in any market where the Group operates to reflect statutory requirements or local best practices in the field of reporting channels, either where no specific procedure to manage Concerns received exists, or where there is one, for any question not expressly covered in the same. This Procedure shall apply without prejudice to the provisions of local specificities included in the Ethics Line Procedure required pursuant to the applicable laws in the markets where the Group operates.

In the event of inconsistency between the provisions of the procedure to manage the local Internal Reporting Channel or the provisions of local specificities of the Procedure itself and the provisions of this Ethics Line Procedure, the provisions of the former (provisions of the procedure of the local Internal Reporting Channel or of the local specificities of the Procedure) shall prevail.

Under no circumstance shall the enforcement of this Procedure entail noncompliance with the prevailing statutory provisions, or with local specificities of the Procedure in the markets where the Group operates. Local provisions shall prevail over application of the Procedure. In the absence of prevailing statutory provisions on the relevant market, or supplementary to existing ones, the provisions of this Procedure shall apply, without prejudice to the provisions of the Policy and remaining applicable internal regulations.

The Ethics Line shall not detract access by Whistleblowers to any other court or out-of-court grievance mechanism, or any external reporting channels made available by competent authorities.

The Ethics Committee being the Person in charge of the Group's Internal Reporting System, shall be responsible for managing the Ethics Line and as such, it shall promote the necessary investigations and propose, as the case may be, appropriate remediation, prevention and awareness-raising measures. The Ethics Committee shall act independently at all times, respecting the confidentiality of the Concerns and Queries received, the data of the Whistleblower and of the Persons concerned and the documentation created, if any.

### **4. How to submit Concerns**

Without prejudice to any other communication channel made available pursuant to applicable law on the markets where the Group operates, the Ethics Line may be used:

- / By sending an email to the following address: [canaletico@inditex.com](mailto:canaletico@inditex.com) or [ethicsline@inditex.com](mailto:ethicsline@inditex.com)
- / Via the channel made available for such purposes on the corporate website ([www.inditex.com](http://www.inditex.com)) and/or the corporate intranet (INET)
- / By regular post addressed to: Avenida de la Diputación, Edificio Inditex, 15143 Arteixo, A Coruña (Spain), for the attention of the Ethics Committee.

Only those individuals specifically appointed by the Ethics Committee for the ordinary management of the Ethics Line shall have direct access to such mailboxes and to the contents of the Concerns or Queries, exclusively.

## 5. Contents of Concerns

For the purposes of ensuring that investigations are accurate and that Concerns and Queries are processed in a confidential manner, these shall include, as far as necessary to be duly managed, the following details:

- / Identification details of the Whistleblower, such as name and surname, contact details or safe service address and, as the case may be, details of the employee (job position or employee number), as well as the Whistleblowers' association with Inditex or any third party's company which may be affected.

The provisions of the foregoing paragraph shall not apply to any anonymous Concern or Query received via the Ethics Line regarding which the Whistleblower's wish to remain anonymous shall be respected at all times.

- / Identification details of the Person or Persons concerned by the Concern.
- / Fact or facts of the Concern or Query, specifying as much as possible the violation of the regulations observed.
- / Supporting documentation of the Breach or Other Breach, where possible.

Whistleblowers shall only provide such specific and objective information that is required to determine whether the subject matter of the Concern or Query falls within the described scope. Except where this is essential, they shall not provide any personal data revealing their ethnicity or race, political views, religious or philosophical beliefs, union trade membership, or any biometric data, or data relating to the health, sex life or sexual orientation of the Whistleblower, the Person concerned or any other natural person.

## 6. Use of personal data

The Company guarantees observance of the principle of transparency relating to the use of personal data in the Ethics Line, through the information provided to the Whistleblowers, Persons concerned and third parties in *Appendix I – Information about use of personal data*.

## 7. Handling and investigation of Concerns and Queries

### 7.1. Reception and admission of Concerns and Queries

The Ethics Committee will receive the Concerns and Queries reported through the Ethics Line and contact the Whistleblower acknowledging receipt within 7 days of reception thereof, unless such acknowledgement of receipt would jeopardise the confidentiality of the Concern or Query.

The Ethics Committee shall verify first whether the Concern or Query falls within the Ethics Line's scope of authority. If such were the case, the Committee will open proceedings and investigate the facts or review the Concern. Conversely, if the Concern or Query does not fall within the Ethics Line's scope of authority, and/or is not duly grounded, and/or does not provide any new and significant information about Concerns already resolved by the Ethics Committee, the Committee will order the immediate closing of proceedings, apprising the Whistleblower of such decision and immediately erasing or anonymizing personal data therein included.

Any case opened shall be processed within 3 months from the moment receipt of the Concern was acknowledged. Failing such acknowledgement, such 3-month term will start 7 days after the Concern was received, unless this term is too short for an appropriate investigation. In such case, it may be extended for an additional 3-month period.

## **7.2. Opening of proceedings**

Where, further to the review of the facts disclosed in the Concern, the Ethics Committee considers that there are reasonable signs of a Breach or of Other Breaches, it will resolve to open proceedings and launch the relevant internal investigation. To this end, the Committee may seek support or advice from other departments or areas, based on the nature of the case and where this is required to establish the facts.

Contact with the Whistleblower can be kept, who can be asked to provide additional information where necessary.

In parallel to the opening of proceedings and the launch of the investigation, the Ethics Committee may take such additional urgent measures it may deem necessary to prevent jeopardizing the investigation, or which may be required to protect the Whistleblower. To implement such measures, the Ethics Committee will rely on the support of the relevant departments or areas.

## **7.3. Internal investigation of the Concern**

Upon conducting the internal investigation, the Ethics Committee may gather the information and documentation it deems appropriate from any department, area or company of the Inditex Group, or from third parties, considering in each case the relevance and the nature of the facts reported. Likewise, as many investigations as are deemed necessary in light of each specific case, can be launched, for the purposes of determining the certainty or plausibility of the facts or signs reported. The Ethics Committee will answer the Concerns and Queries made, meeting in any case, the specific deadlines and requirements of the investigation applicable under local regulations of each market where the Company operates.

Notwithstanding the foregoing, the Ethics Committee may seek an external facilitator to carry out the investigation, in such cases where given the nature, seriousness, complexity or the identity of the parties involved in the facts, this is recommended to properly resolve the Concern.

The Ethics Committee expressly reserves the right to take the necessary monitoring and control measures on the software tools and equipment that the Company makes available to its employees, including the contents of communications and devices, always in compliance with the applicable laws in the field and guaranteeing the principle of proportionality and dignity of employees.

## **7.4. Information and right to be heard**

Natural or legal person(s) suspected of an alleged misconduct in the Concern, shall be apprised by the Ethics Committee of such circumstance and of the processing of their data, where this is permitted considering the status of the proceedings, and in any case, within one (1) month of the date when the Concern was received, provided that the investigation of the facts reported is not hindered. Such term may be extended, when reasons that advise it are noted, and the relevant explanation in support of the extension must be provided.

Additionally, through the exercise of the right to be heard, the Ethics Committee shall guarantee the right of the Party concerned to raise in writing arguments, plead and provide evidence, as appropriate.

## 7.5. Investigation findings and completion

Once the investigation stage is completed, the Ethics Committee will issue a resolution which findings may include, as the case may be:

- / Declaring that a breach exists. In such case, the Committee may take the following measures:
  - o The immediate cure of such breach and the adoption of the measures to repair the damage caused and to prevent any future breach, if appropriate.
  - o Disciplinary measures, ranging from a mere admonishment or warning to dismissal
  - o Referring the resolution to the relevant department so that it will take and apply in any case the remediation measures which may be necessary. Such remediation measures shall be reported to the Ethics Committee.
  
- / Closing the case where the Committee finds that no breach whatsoever has occurred.

As a guarantee, Inditex shall only disclose the terms of the resolution and the type of measures to be taken, if any, to the head of the relevant department or area, the Whistleblowers and the Persons concerned, and where disciplinary measures are required, to the People Department, for the purposes of scheduling and implementing the same.

## 8. Maintenance, custody and filing information

The Ethics Committee shall keep an updated record of all Concerns and Queries received via the Ethics Line, and, where appropriate, of the internal investigations carried out and the measures taken for the periods permitted by law under applicable regulations. Personal data related to such information and investigation will be stored for the necessary period and for 10 years at most, except where a longer storage period would be required for the appropriate exercise of the right to be heard.

Such record and the processing made by those involved in handling the Concerns received through the Ethics Line, shall fulfil the appropriate technical and organisational measures to ensure an appropriate level of security of personal data considering the risk and, as the case may be, those provided in applicable data protection regulations.

With regard to the information that shall be kept recorded, it shall be updated at all times and shall include the following data:

- / Date when the Concern was received.
- / Method used to send the Concern.
- / Details of the Whistleblower and the Person concerned, except where the Concern is anonymous.
- / A summary description of the type of Concern or Query and of the facts regarding which a breach is observed.
- / Dates of information to the Person concerned and the Whistleblower, except where the Concern is anonymous.
- / Documentation used to investigate the Concern.
- / Status of the investigation.

The personal data gathered in the course of the internal investigation will be erased when they are no longer necessary and relevant, in any case within three (3) months of the recording date of the Concern, unless the investigation remains open or where the purpose is to evidence that the System is efficient. In such cases, data will be anonymized.

Personal data regarding any Concern which falls outside the scope of the Ethics Line, or which are included in Concerns regarding which the information submitted is found not to be reliable, or which are not necessary to conduct the investigation and/or are not subject to any investigation, shall be erased without any delay, except for the transfer thereof to any Public Administration and/or Law Courts, where this is necessary to attend to any potential liability during the relevant forfeiture terms. Such data shall be subsequently physically destroyed. Concerns not processed within the term provided in this Procedure can only be recorded anonymized.

## **9. External Reporting Channels to the competent authorities**

The Ethics Line is the preferred channel to report the Concerns that may fall within this Procedure's scope of application. However, persons referred to in Article 4 of Directive (EU) 2019/1937 shall be apprised of the fact that they may also use the external reporting channels designated by the competent authorities in each case pursuant to applicable regulations, including, where appropriate, vis-à-vis EU institutions, bodies or entities, to report any act or omission that may fall within the material scope of the Directive and/or their respective local regulations. Where this is mandatory under the applicable laws in any market where the Inditex Group operates, information about external reporting channels shall be provided.

Likewise, where this is mandatory under the laws applicable to the facts subject to the Concern, where in the opinion of the Ethics Committee, the facts reported might circumstantially qualify as a criminal offence or be detrimental to the Company's financial interests, the Company may report such facts to the competent authorities.

## **10. Circulation of the Procedure and training activities.**

The Procedure will be available to the staff of the Inditex Group on the corporate intranet (INET) and to every stakeholder of the Inditex Group on the homepage of the corporate website ([www.inditex.com](http://www.inditex.com)).

Likewise, this Procedure shall be subject to the appropriate communication, training and awareness-raising proceedings for the appropriate understanding and implementation thereof.

## **11. Procedure review and update**

This Procedure will be reviewed and updated as required, at the behest of the Ethics Committee, to encompass any applicable regulatory developments and best practices in the field, as well as any changes that may arise in respect of Inditex's business model or the environment where the Group operates, ensuring in any case its effective implementation.

## APPENDIX I – INFORMATION ABOUT THE USE OF PERSONAL DATA

### 1. Joint controllers and contact of the Data Protection Officer (DPO)

Pursuant to the regulations on data protection, the following shall be deemed to be joint controllers:

- / the Inditex Group company with which the Whistleblower or the Party concerned is involved in an employment, business or professional relationship;
- / Inditex, as the parent company of the Group wherein the Ethics Committee is included. The Ethics Committee is the internal corporate body that assists the Audit and Compliance Committee, a board committee of the Company.

Whistleblowers and Persons concerned may contact the global Data Protection Officer of the Inditex Group at the following email address: [dataprotection@inditex.com](mailto:dataprotection@inditex.com)

### 2. Categories of personal data

The following categories of data can be gathered within the scope of a Concern or a Query:

- / Identification data, such as name and surname, address, e-mail address, telephone number of both the Whistleblower and the Person concerned.
- / Job details (including position, company or employee number) of both the Whistleblower and the Person concerned.
- / Relationship with Inditex and/or a Group company or other affected third parties.
- / Breaches or Other Breaches reported.
- / Documentation in support of reported Breaches or Other Breaches.

### 3. Purposes and legal basis of the processing

Data will be processed for the purposes of detecting, investigation and legally assessing any suspected breach, including of labour, commercial or professional obligations pursuant to their agreement, that may be deemed to be Breaches or Other Breaches in accordance with the provisions of the Ethics Line Procedure, including noncompliance with the Codes of Conduct and the internal regulations of conduct of the Group. Such data processing shall entail applying the required measures to preserve the identity of the Whistleblower and of the Persons concerned.

Facts and/or proceedings reported must necessarily fall within the scope of application of the Policy and the Ethics Line Procedure.

Therefore, the lawful basis for personal data processing shall be:

- / Fulfilment of a statutory obligation in such cases where regulations in place require the existence of a system that allows reporting to persons working for a private entity on issues they may be acquainted with regarding potential regulatory breaches and breaches related to anti-corruption.
- / Public interest where there are no specific regulations in place setting out the requirement to establish an internal reporting system or whistleblowing channel and personal data processing is required to prevent and

act against potential regulatory breaches and breaches related to anti-corruption.

- / The Inditex Group's legitimate interest in pursuing and preventing the violation of its internal regulations.
- / Contractual relationship: processing of personal data provided in the Concern or Query is required in the framework of the employment<sup>1</sup>, business or professional relationship with the Inditex Group company with which the relevant employment, business or professional agreement has been entered into.

#### **4. Data of Persons concerned**

Likewise, under applicable regulations, Persons concerned will be apprised of the facts they are accused of, the departments and third parties to whom they can relay such information and how to exercise their personal data - related rights pursuant to the data protection regulations. Under no circumstances shall such information be related to the identity of the Whistleblower, the Person concerned or third parties. The exercise by the Person concerned of their right of access will be restricted to their own personal data, never to the Whistleblower's personal data. Likewise, the right to object to such processing is also restricted as a general rule due to compelling legitimate grounds that legitimate personal data processing.

In any case, the period allowed to inform the Person concerned shall not exceed one (1) month from receipt of the Concern, provided that the appropriate investigation of the facts reported is not hindered, or the circumstances of the Concern would not otherwise permit it; in such case, the information can be postponed until disappearance of the risk.

#### **5. Storage period**

Personal data gathered through the Ethics Line shall be stored in accordance with the provisions of applicable laws, as described in this Procedure.

As a general rule, personal data gathered in the course of the internal investigation will be erased when they are no longer necessary and relevant, in any case within three (3) months of the recording date of the Concern, unless the investigation remains open or where the purpose is to evidence that the System is efficient. In such cases, data will be anonymized.

Personal data that do not fall within the scope of application of the Ethics Line, are not necessary to conduct the investigation and/or are not subject to investigation, or where there is proof that the information is not accurate, will be erased or anonymized except for such scenarios provided in applicable regulations.

#### **6. Recipients of personal data**

To fulfil the processing purposes above referred, Inditex Group will give access to personal data (i) to service providers, such as external advisors and collaborators who provide support with the handling or, as the case may be, the investigation of the Concerns and Queries received through the Ethics Line, and (ii) potentially, where action needs to be taken as a result of the investigation, the relevant areas/departments/entities of the Inditex Group which will be involved in the investigation and the potential action to be taken regarding the reported behaviour in question.

Likewise, data may also be transferred to judges, law courts, the Office of the Public Prosecutor or competent public

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<sup>1</sup>Further information about the personal data processing of employees can be found in the Policy on Employees' Privacy available on the corporate intranet (INET).

administrations, as a result of the investigation which may be launched.

## 7. International transfers

Some entities, both of the Group and others, may be based outside the European Economic Area and thus fail to provide a level of data protection equivalent to that in place in the European Union. In such cases, we transfer data with appropriate guarantees always keeping data safety as we use the most appropriate tools for international data transfers, such as Standard Contractual Clauses or any other relevant supplementary measure. The contents of Standard Contractual Clauses can be found in the following link: [https://commission.europa.eu/publications/standard-contractual-clauses-international-transfers\\_en](https://commission.europa.eu/publications/standard-contractual-clauses-international-transfers_en).

## 8. Rights

On the other hand, the following rights can be exercised pursuant to the provisions of applicable regulations:

- / **Right of access:** the right to obtain from Inditex confirmation as to whether or not personal data concerning them are being processed, and, where that is the case, to request access to personal data. Access data include, without limitation, the purposes of the processing, the categories of personal data concerned, the recipients or categories of recipient to whom the personal data have been or will be disclosed. They can obtain a copy of the personal data undergoing processing.
- / **Right to rectification:** Right to obtain from Inditex the rectification of inaccurate or incomplete personal data concerning them.
- / **Right to erasure (right to be forgotten):** Right to obtain from Inditex the erasure of personal data concerning them.
- / **Right to restriction of processing:** Right to obtain from Inditex restriction of processing of their personal data; however, Inditex will carry out a review on a case-by-case basis, to determine whether or not the exercise of such right shall apply.
- / **Right to object:** where certain circumstances are met, right to object to Inditex's processing of their personal data.

Whistleblowers and Parties concerned will be entitled to exercise their rights by sending to the Ethics Committee a letter to the registered office, or an email to the following email address: [canaletico@inditex.com](mailto:canaletico@inditex.com) or [ethicsline@inditex.com](mailto:ethicsline@inditex.com), identifying the right they wish to exercise.

They are also entitled to **lodge a complaint** with the competent supervisory authority in each case.

**INDITEX**