

INDITEX

Inditex Norge Norwegian Transparency
Act Statement FY2023

Inditex's Board of Directors is ultimately responsible for ensuring respect and protection of Human Rights, as an essential instrument for the sustainable development of the Group.

The Sustainability Committee, as an informative and advisory Board committee, is responsible for advising the Board on matters within its remit, overseeing Inditex's social and environmental sustainability strategy and practices, as well as fostering a commitment to the Sustainable Development Goals. It is also the body in charge of overseeing and monitoring sustainability proposals in terms of human rights, social, environmental and the health and safety of products that the Group sells, and of liaising with stakeholders in the field of sustainability, including matters relating to the implementation of the Group's Human Rights strategy.

The Group has an Audit and Compliance Committee which is responsible for overseeing and assessing financial and non-financial risks, such as those arising from the Group's actions in relation to its social, environmental and other sustainability practices, including those related to human rights.

Inditex also relies on a Social Advisory Board, a collegiate body composed of external independent members, which advises it on sustainability issues. The Social Advisory Board plays a key role in the relationship with stakeholders, as it is responsible for formalizing the dialogue with the key representatives of the societies where Inditex conducts its business.

Furthermore, the Ethics Committee, which reports to the Board of Directors through the Audit and Compliance Committee, oversees compliance with standards of conduct, in particular, the Group's Code of Conduct and the Code of Conduct for Manufacturers and Suppliers (hereinafter, the "Codes"). This Committee also manages the Ethics Line, a queries and grievance mechanism that reinforces due diligence by helping to identify and remedy any potential negative impact on Human Rights, thereby strengthening the relationship with stakeholders. The Policy on Human Rights, the Due Diligence procedures and the grievance mechanisms represent the first, second and third pillars of the Group's Human Rights strategy respectively.

Inditex Group's Sustainability teams are tasked with managing and coordinating all the Group's activities aimed at ensuring compliance with the Code of Conduct for Manufacturers and Suppliers throughout the entire supply chain.

Inditex has an unwavering commitment to human rights, which entails an approach throughout the value chain and an alignment process with best practices to enable us to play an active role in promoting human rights and to work pro-actively in their respect. In making this journey, we count, since 2016, with a strategy aligned with the UN Guiding Principles on Business and Human Rights (hereinafter referred to as the Guiding Principles) and covers all the Group's operations.

Inditex's human rights strategy:

- Covers the entire business model and the development of all our operations globally.
- Involves all levels, both internal (employees) and external (customers, suppliers' workers, local communities and other stakeholders).
- Encompasses the Group's own operations and business relations.

The Policy on Human Rights, Due Diligence procedures and the Ethics Line represent the first, second and third pillars of the Inditex's Human Rights strategy respectively.

Inditex's human rights strategy

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

Human Rights Policy

Approved in December 2016 and amended in February 2024 by the Board of Directors. It applies to the entire Group.

Due Diligence

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

Grievance mechanisms

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

3. Policies and commitments

3.1. Policies and Internal Regulations

3.1.1. Policy on Human Rights of Inditex Group

Inditex Group's Human Rights Policy was approved by the Board of Directors on 12 December 2016, following a favourable report of the Audit and Compliance Committee (formerly, the Audit and Control Committee) and the Social Advisory Board, which represents the Group's stakeholders. It was recently updated in February 2024.

In the framework of the United Nations Guiding Principles on Business and Human Rights, the Policy on Human Rights defines Inditex's stance regarding its commitment to respect internationally recognized human rights and sets out the values and principles which guide its activities.

Notwithstanding its commitment to all Human Rights, Inditex has identified those rights more directly related to its value chain, based upon the review of its business model and the expectations of its stakeholders.

Compliance with Inditex's Human Rights Policy is mandatory for the whole Group and it is enforced on third parties associated with Inditex. It has been disclosed to the different departments of the Group and it is available to all the employees on the Group's intranet as well as on the corporate website (www.inditex.com). The enforcement of the Policy involves implementing and executing due diligence processes which allow Inditex to assess and, where appropriate, regularly identify current and/or potential impacts in the field of Human Rights. Appropriate measures are also taken to prevent, monitor, mitigate or remedy any potential negative consequences and foster positive impacts throughout the entire supply chain.

The Policy on Human Rights can be found [here](#).

3.1.2. Sustainability Policy of Inditex Group

The Sustainability Policy provides for the Company's principles in its

relations with stakeholders and weaves sustainability practices into the business model. Moreover, it is a tool that strengthens our commitment to sustainable development and human rights as it helps ensure that our activities are respectful of people, the environment and the community. The Sustainability Policy was approved by the Board of Directors on 14 December 2020 and updated on 3 November 2022.

The Policy addresses:

- The principles which govern the Group's sustainability.
- Integration of sustainability within the business model and the pillars upon which value is built up.
- The main stakeholders of the Group and the principles which govern its relations with each of them.
- The principles that guide disclosure of sustainability practices. Permanent dialogue and transparency are the core principles that govern Inditex's relations with its stakeholders.

The Sustainability Policy can be found [here](#).

3.1.3. Code of Conduct of Inditex Group

The Inditex Group's Code of Conduct (also known simply as the "Code") is the document that establishes the Group's ethical commitments and principles of action that should guide relations between people in the Group and the relations between them and the various stakeholders anywhere in the world, such as customers, suppliers, shareholders and the communities in which we operate. The Code is mandatory for all employees, including Senior Management, and the members of the management bodies of the companies that make up the Group. The Code strengthens awareness and enforcement of Inditex's ethical culture, deeply rooted in respecting Human and Labour Rights and in the effective inclusion of all employees, respecting their diversity.

During the 2023, we completed the review and update process of the former "Code of Conduct and Responsible Practices" approved in 2012, which was initiated in the previous year. One of the aims of this review process has been to ensure that the Code of Conduct reflects the corporate ethical culture and the commitments undertaken by Inditex in different spheres: responds to the new regulatory realities and challenges faced by the Company; and reflects the diversity, global nature and multiculturalism of Inditex Group. The text has been reviewed with all markets in which the Inditex Group has subsidiaries, with external advisors from multiple jurisdictions and with the Inditex's Social Advisory Board, as the main liaison with the Group's various stakeholders. In addition, as part of this process, the European Works Council was informed. The review process culminated on 6 February 2024, with the approval of the Code by the Board of Directors.

The Code of Conduct can be found [here](#).

3.1.4. Code of Conduct for Manufacturers and Suppliers of Inditex Group

The Code of Conduct for Manufacturers and Suppliers was approved by the Board of Directors in 2001 and amended in 2012. It is enforced across the entire supply chain, including all tiers and processes and established the framework that governs their relationships with Inditex.

Its main purposes are:

- To provide mandatory compliance standards in matters of labour

rights, product health and safety and environmental aspects.

- To define minimum standards of ethical behaviour that must be observed by all of the manufacturers and suppliers throughout the supply chain, in accordance with the Group's corporate culture, firmly grounded on respect for human rights and sustainability.

To also ensure that it is always fully aligned with best practices, Inditex has envisioned the Code of Conduct as a dynamic document subject to constant review so as to ensure it remains valid. Its conceptual framework is based on the Organisation for Economic Cooperation and Development (OECD) principles, the Ethical Trading Initiative's Base Code, the United Nations Global Compact principles and, among others, the following ILO conventions: 1, 14, 26, 29, 79, 87, 98, 100, 105, 111, 131, 135, 138, 142, 155, 164 and 182.

Before commencing work for Inditex, all suppliers, in order to be part of the Inditex's supply chain, must first accept and undertake to meet (and to enforce compliance by the facilities they work with) the Inditex Minimum Requirements (IMRs). The IMRs include compliance with the Inditex Code of Conduct for Manufacturers and Suppliers and the Human Rights Policy, -among other policies and standards- which explicitly prohibits slavery and human trafficking, and it is based on applicable national laws and international standards in the field, with which our suppliers and manufacturers must comply.

The Code of Conduct for Manufacturers and Suppliers can be found [here](#).

3.1.5. Diversity and Inclusion Policy

The Diversity and Inclusion Policy was approved by the Board of Directors in 2017 and amended in 2020. This Policy establishes the framework of Diversity & Inclusion ("D&I") assumed by the Inditex Group, recognising that people's differences and similarities are what make them unique, and strongly believing that having diverse talent allows for a better understanding and awareness of the diversity of its own customers and the communities with whom the Company engages. Furthermore, it advocates for a culture of inclusion, equality and respect.

The Diversity and Inclusion Policy can be found [here](#).

3.1.6. Global Anti-Harassment Policy

This Policy, which was approved by the Board of Directors in 2022 and amended in 2023, applies to every company within the Group and is binding for anyone at the Inditex Group. It builds on the ethical values of the Group and establishes a framework for action for the prevention and elimination of harassment within the Group in any form or shape.

The Global Anti-Harassment Policy can be found [here](#).

3.1.7. Criminal Risks Prevention Model

As part of the Global Compliance Model, Inditex relies on a Criminal Risk Prevention Model, aimed at preventing and managing the risks related to the potential commission of offences under Spain's Criminal Code, including those related to human trafficking. This Model, in constant evolution and adaptation, is made of the Criminal Risk Prevention Policy and the Procedure, as well as the Criminal Risk and Control Matrix (criminal risk map).

In this regard, the Policy on Criminal Risk Prevention was approved by the Board of Directors on 19 July 2016, following a favourable report of

the Audit and Compliance Committee (formerly, the Audit and Control Committee).

The Policy describes the Criminal Risk Prevention Model, the potential criminal risks that the Group may be exposed to on account of its operations and, in particular, the measures the Group has put in place to prevent the commission of any criminal offences, including offences related to human trafficking.

The Criminal Risk Prevention Policy can be found [here](#).

Find out more about our policies [here](#).

3.2. Commitments and initiatives

3.2.1. The Ten Principles of United Nations Global Compact

Since 2001, Inditex has been a signatory of the United Nations Global Compact and it commits to respect and promote its ten universally recognized principles.

3.2.2. Commitment to the Sustainable Development Goals (SDGs)

Inditex is fully committed to sustainability and respect for human rights throughout its value chain. In this regard, Inditex has committed to the 17 Sustainable Development Goals (SDGs). Inditex's sustainable strategy is aligned with the commitment to working towards the objectives set by the SDGs for 2030.

3.2.3. Ethical Trading Initiative (ETI)

Inditex has been a member of this dialogue platform to improve working conditions of workers since October 2005. ETI is an alliance of companies, international trade unions, and non-governmental organizations. ETI's Base Code is founded on the conventions of the International Labour Organisation (ILO) and is an internationally recognised code of good labour practice.

3.2.4. Global Framework Agreement with IndustriALL

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. The Agreement includes a protocol, signed in 2022, that fosters social dialogue by establishing mechanisms –such as procedures for access to work centres– that strengthen the role of local trade unions and advance towards a better understanding of supply chain workers' needs.

3.2.5. UNI Global Union

100% of the Inditex Group employees are covered by the Global Agreement signed with UNI in 2009 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.

3.2.6. Public-Private Partnership with the International Labour Organization (ILO)

Entered into in 2017, the Partnership is aimed at the joint promotion between Inditex and ILO of respect for the fundamental principles and labour rights in the supply chain of the cotton sector, engaging in skill-building and raising awareness among cotton communities.

3.2.7. ILO's Better Work Programme

The Better Work Programme is a platform to improve compliance with labour regulations and competitiveness of global supply chains. Inditex has been a member since October 2007. On 9 October 2013, Inditex and Better Work entered into a specific collaboration agreement whereby Inditex became a direct buyer partner of the programme.

3.2.8. Participation in Shift's Business Learning Programme

Shift is a non-profit organization specializing in human rights, Inditex is part of its Business Learning Programme, a leading programme in the field that involves companies of all sectors willing to work towards implementing the UN Guiding Principles on Business and Human Rights.

3.2.9. United Nations High Commissioner for Refugees (UNHCR)

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

3.2.10. Tent Partnership for Refugees

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

3.2.11. Country partnership for zero child poverty (*Alianza país por la pobreza infantil cero*)

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

Find out more about our commitments and initiatives [here](#).

4. Inditex Supply Chain

Manufacturing and procurement of the Group are based on socially and environmentally responsible management of the supply chain. Thus, decent working conditions are promoted for all workers at our suppliers and manufacturers.

Our supply chain is present globally, organised through 10 clusters of suppliers: spaces for cooperation and dialogue that aim to promote sustainable production environments in each strategic geographic area and in a framework of respect for Human and Labour rights, although a significant part of the cutting, sewing, dyeing, washing, printing or finishing factories that manufactured its garments in are located in Spain or neighbouring countries like Portugal, Morocco and Türkiye. Every supplier and factory that makes up the Group's supply chain is bound to abide by the values and ethical behaviour principles that are central to the Group.

In this regard, the Company's commitment to the responsible management of its supply chain requires identifying working areas where Inditex can contribute to improving the conditions of the industry in each market where Inditex operates, creating sustainable production environments. Inditex meets this challenge by setting

and implementing policies aligned with Human Rights and the fundamental labour standards. Inditex also establishes monitoring and direct cooperation tools with its suppliers and takes part in multilateral dialogue with organizations and institutions in the field.

In 2023 we had 1,733 direct suppliers¹ in 45 markets, who created our products at 8,123 factories² and generated more than three million jobs.

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 Europe³.

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 is one of the challenges facing our industry.

Our traceability ecosystem allows us to compile and evaluate information concerning the traceability of our products. Specifically, it helps us to ascertain in which production facilities our articles were created and to certify the use of more responsible materials.

Our Traceability Requirements, developed in 2022, are among the foremost tools in this regard. In 2023 we worked on adapting our monitoring and assessment systems in connection with these requirements, which reflect our suppliers' traceability obligations. For a start, our suppliers must know their supply chain and work only with manufacturers and intermediaries that comply with our sustainability standards and that have been previously assessed and approved by Inditex. They must also report which facilities and intermediaries are involved in each production process, from fibre or yarn to the final garment for each order. This information should include both their own facilities and those contracted by them or by third parties.

To facilitate the implementation of these requirements and to help our suppliers improve their traceability processes, we use our InTrust management system to ease the process whereby our suppliers provide information on their supply chain.

We use various control mechanisms operating in parallel to verify compliance with our traceability requirements:

- Designation control check: we check that our suppliers have provided information about their supply chain before deadline.
- Review of certificates: we check raw material certificates before approving them.
- Traceability audits: we verify the information provided by our suppliers on site, through unannounced visits to the production facilities. This allows us to check the production processes, the production in progress and the ones completed.

In 2023, 12,100 traceability audits were conducted. To ensure the understanding and proper application of our traceability requirements, over the past year we have conducted training to more than 300 suppliers in 20 markets.

Find out more on pages 341 et seq. of [Inditex Group's 2023 Statement on Non-Financial Information](#).

5. Due diligence assessments

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.

Collaboration with stakeholders and strategic partners has been a fundamental tool for spreading the concept of sustainability throughout the supply chain. It has materialized in projects, activities, actions and partnerships to ensure that our suppliers and manufacturers work in accordance with the responsible practices and values that define the Group and address common industry challenges from the perspective of sustainable development.

The due diligence processes that are part of the human rights strategy involve two main focus areas: value chain, and 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.

Inditex supports its supply chain social sustainability strategy with actions aimed at verifying and ensuring compliance with the Code of Conduct for Manufacturers and Suppliers and with international regulations. It does this in addition to working with suppliers and stakeholders to continuously improve the supply chain.

All the facilities used to produce the goods that Inditex places on the market must comply with the Code of Conduct for Manufacturers and Suppliers. To ensure this compliance, Inditex conducts different procedures and assessments regarding Human and Labour Rights among all of its suppliers and factories – chiefly through different types of audits.

Before starting a commercial relationship with Inditex, every potential supplier and manufacturer (although they are not direct suppliers of the Group, but they are part of its supply chain) is subject to a pre-assessment audit to verify, among others, that no violation of Human Rights of its workers exists, ensuring that only those who meet the Group's sustainability standards may become part of the supply chain.

In 2023, Inditex carried out 2,111 unannounced pre-assessment audits of suppliers and manufacturers who were potentially commencing business with Inditex.

Pre-assessment audits in 2023

	Pre-assessment audits	Approved (%)
Africa	64	83
Americas	25	72
Asia	1,590	70
Europe outside the EU	173	45
Europe Union	259	69
Total	2,111	68

¹ Figures include suppliers with more than 20,000 production units in the 2023 summer and winter campaigns, based on the primary data extracted from the Company's systems (suppliers with production of less than 20,000 units represent 0,19%).

² Figures include factories declared by the suppliers with more than 20,000 production units in the 2023 summer and winter campaigns in the manufacturer's management system for 2023 orders.

³ 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.

Subsequently, every supplier and factory in Inditex's supply chain is subject to periodic social audits. The methodology used in social audits was designed in 2007, jointly with the former International Textile and Garment and Leather Workers' Federation (ITGLWF), (currently IndustriALL Global Union), the University of Northumbria (UK) and the Cambridge Centre for Business and Public Sector Ethics.

The main purpose of social audits is to verify the level of compliance with the Code of Conduct for Manufacturers and Suppliers and to launch a Corrective Action Plan (CAP), where appropriate, to ensure respect for Human and Labour rights and remedy any detected non-compliance. Social audits can be conducted both by internal and external auditors, always without prior notice to the facility being audited.

Each audit includes tools, inter alia, to identify degree of compliance with Inditex Code of Conduct, including in the spheres of forced or compulsory labour, child labour, discrimination, freedom of association and collective bargaining, harassment, health and safety of the workers, payment of wages, working hours, or regular employment, among others, 6,892 social audits were conducted in 2023.

Supply chain assessment

Pre-assessment

Initial verification of compliance prior to the relationship with Inditex. Audits are used to ensure that Inditex standards are met.

- **Approved:** May receive orders and is subject to Inditex Minimum Requirements.
- **Not approved:** May not receive Inditex orders.

Environmental preliminar assessment

Facilities subject to the Green to Wear standard.

Supply chain assessment and improvement model

- **Social audits:** Compliance with the Code of Conduct for Manufacturers and Suppliers.
- **Environmental audits:** Facilities subject to the Green to Wear standard.

Continuous improvement

- Corrective Action Plans (CAPs) to guarantee continuous improvement.
- Training and awareness of suppliers.
- Specific improvement within the framework of the social and environmental strategy for the supply chain.

These audits include the social audits carried out using Inditex's proprietary methodology and the audits carried out following the method of the Social & Labour Convergence Program (SLCP) initiative, of which Inditex has been a member since the inception of the Program.

5.1. Enhanced Due Diligence

Inditex also carries out enhanced due diligence to identify potential

human rights violations that may be especially complex to detect through standard social audits. If Inditex's due diligence system assesses that a potential breach of its standards exists or identifies any potential human rights risks in its supply chain related to forced or child labour, Inditex may terminate the business relationship and/or block the affected supplier(s). It encompasses a holistic approach to sustainable supply management, which includes stakeholder engagement, capacity building and constant improvement through various initiatives. Additionally, it involves a thorough analysis of the entire corporate group and commercial relationships of all current and potential new suppliers and manufacturers.

More specifically, Inditex's enhanced due diligence includes:

- Analysing whether third parties are included on sanction lists:
- Analysing whether third parties have corporate or commercial ties with sanctioned entities:
- Analysis of any mentioned in reports published by NGOs or other institutions:
- Utilizing specialized computer/informational Human Rights warning tools:
- Utilizing tools to trace global transactions:
- Utilizing tools for assessing reputation issues:
- Conducting isotope testing to evidence the origin of the raw materials used in garment production.

Thanks to its enhanced due diligence system, the already strong control system gets reinforced, helping Inditex to identify potential risks of non-compliance with its standards.

Beyond supply chain, in line with the principles and criteria for action established in the Code of Conduct for Manufacturers and Suppliers, at Inditex we are firmly committed to preventing compliance risks from third parties with whom Inditex maintains a direct business relationship. In this regard, the Due Diligence Policy, approved by the Board of Directors in September 2019, is designed to align the relationships with our business partners, suppliers and large customers, with the processes described in the international standard ISO 37001 Anti-Bribery Management Systems in organisations, as well as the regulations and the most stringent standards on anti-corruption. The due diligence process regulated by the Policy consists of the identification and analysis of all suppliers, business partners and third parties with whom Inditex engages in business relations, from the perspective of corruption, fraud, international trade sanctions and/or any other risks of a similar nature.

Since the beginning of the FY20, all third parties that initiate a commercial and/or professional relationship with Inditex are subject to a due diligence process, which is more demanding depending on certain factors, such as: (i) the total estimated purchase volume with Inditex; (ii) the market in which the third party is domiciled and carries out its main activity; (iii) the sector to which it belongs; and (iv) their degree of interrelationship with authorities and public officials.

Furthermore, this year, within the framework of our human rights strategy and the application of due diligence processes in our value chain, during 2023 Inditex Group audited a number of the distribution centres Inditex works with, both in Spain and other markets. The procedure is the same as for our social audit of the factories in our supply chain. In this regard, Inditex carried out 90 social audits of external distribution

centres in the year.

Inditex understands the importance of identifying the potential human rights impacts across its entire value chain and is constantly improving its processes to integrate and enhance due diligence.

Find out more in the 2023 Statement on Non-Financial Information (pages 144 et seq.) and in the specific report on [Supply Chain management to transform the sector](#).

6. Effectiveness and continuous improvement

At Inditex, we believe in continuous improvement as a key to advancing towards our goals and strategies. Management of the supply chain is also consistent with this philosophy. One of our main tools for improving the performance of suppliers and manufacturers is the Corrective Action Plans, developed when non-compliances are detected in social and environmental audits, not only to establish measures to mitigate or remedy them, but also to prevent them from occurring in the future.

Developing a corrective action plan

Involvement throughout the process of sales teams, trade unions, NGOs or other organisations where necessary.

Start of the CAP

1. Launch

- Analysis of points of improvement.
- Discussing the plan and setting out correction dates.

2. Monitoring

- Request/receipt/verification of evidence.
- Technical support.
- Desk review of the improvements and follow-up with the supplier and manufacturer.

Control point or competence visit

3. Monitoring audit

Close of the CAP

- Blockage
- New rating

The precise duration of a Corrective Action Plan is determined by the non-compliances found during the audit and the period deemed necessary to address them.

In the most sensitive cases—classified as being ‘Subject to Corrective Action Plan’—the plan lasts approximately six months, during which Inditex’s Sustainability teams and buying teams offer constant support to suppliers and manufacturers through two channels:

- Providing them with advice and expertise in regard to the best way to implement the corrective measures. In this regard, they may also have the support of other stakeholders, such as NGOs, trade unions or other civil society organisations.

- Continuously monitoring the CAP, including competence visits or control points, so as to act with the supplier before the established deadline if progress is not fast enough.

Specifically, CAPs comprise the following stages:

- Initial meeting: at this meeting, any non-compliances detected are analysed, the action plan proposed by the supplier is discussed, and deadlines are established for the various stages of the process.
- Monitoring: before conducting the competence visit or control point, a double check is carried out with the supplier or factory (in the first and second months) to ascertain whether the factory has made any improvement. The supplier action plan must be completed:
 - If non-compliances have been resolved: the improvement must be demonstrated with a clear explanation and photographic evidence or documentation, where relevant.
 - If the non-compliances have not been resolved: a justification of the reasons should be included and, if there are no reasons or if there is no plan to resolve the non-compliances, the factory will be considered to be blocked preventing any supplier making an order for Inditex at this facility.
- Competence visit/control point: improvements (or lack thereof) by the factory are verified, and new findings are checked.
- Final monitoring: before the follow-up audit is carried out, the auditor will check with the supplier that all improvements have been made. The supplier’s action plan must be completed with the submission of a clear explanation and photographic evidence or documentation to prove it.
- End of CAP: a follow-up audit is carried out to assess whether the non-compliances have been remedied and to determine the factory’s new classification.

490 Corrective Action Plans were conducted in 2023, 285 of these plans were carried out in factories with a ‘Subject to CAP’ rating, and 205 in factories with other ratings.

Blocking a supplier or a factory is a last resort. Inditex believes in ongoing collaboration and dialogue with our suppliers, as the basis of the mutual trust relationship that benefits both parties. Thus, the Company brings them support and collaboration so that they can improve their supply chains for the benefit of workers.

Inditex’s support for suppliers and factories is not limited to carrying out the Corrective Action Plans where evidence of non-compliance exists, but instead, different courses of action are followed to prevent non-compliance and proactively seek continuous improvement. The Group seeks to have an ongoing collaboration with its suppliers while the relationship with them exists and work with them towards improving their own supply chains and promoting Human and Labour rights of their workers.

Find out more in the Inditex Group’s 2023 [Statement on Non-Financial information](#) (page 349 et seq.) and in the specific report on [Supply Chain management to transform the sector](#).

7. Workers at the centre strategy

Although due diligence is a continuous process, the end of the cycle of the Workers at the Centre 2019-2022 strategy for the supply chain provided the ideal framework and context for a profound and systematised reflection to ensure that the new phase of the strategy is

based on managing those actual and potential impacts that are of the highest priority.

For this due diligence review process, we have used various internal and external sources of information, such as surveys, interviews with key partners such as IndustriALL or the ILO, information on the social audits of our suppliers, analysis of legislation, reports on human rights trends and risks, among others.

We have also harnessed our work and relationships in each of our suppliers' geographic areas. The process, carried out in accordance with the UN Guiding Principles on Business and Human Rights,

involved all sustainability areas, local cluster teams and other Company areas. The organisation Shift, a leading centre of expertise on the UN Guiding Principles, has also been involved.

Find out more in the 2023 Statement on Non-Financial Information (pages 144 et seq.) and in the specific [Human Rights report](#).

The lessons learned during the implementation of the Workers at the Centre 2019-2022 strategy and the 2022 update of the due diligence exercise, were key in the design of the strategy Workers at the Centre 2023-2025.

Workers at the Centre

The Workers at the Centre 2023-2025 strategy is based on respect for the human rights of the workers in the supply chain. Our goal is to reach three million people by 2025.

Priority Impact Areas



Social dialogue

Facilitating mature industrial relations as a vehicle for a more participative society.



Living wages

Involvement throughout the process of sales teams, trade unions, NGOs or other organisations where necessary.



Respect

Promoting safe and respectful environments, free from discrimination, abuse or harassment.



Health

Protecting the health and safety of workers in the supply chain, and improving their well-being.



Resilience

Contributing to create preventive, adaptive and transformative capacities for development.

Elements of the strategy



Due Diligence

A continuous process, based on the UN Guiding Principles on Business and Human Rights, allowing us to identify five Priority Impact Areas. These areas are synergetic and interconnected.



Transformation

Transformation is a slow process and requires the commitment and collaboration of various parties. Our Workers at the Centre strategy connects us to the present and the challenges it poses, without losing sight of our ultimate goal, which is to transform the industry and communities.



Equity as our focus

We make more visible and integrate the needs of the most vulnerable groups, including women, migrants and refugees.



Solutions

Priority Impact Areas develop, support and combine different types of solutions and interventions to pursue their objectives: partnerships, collaborations with different stakeholders, direct interventions with suppliers or community outreach, among others.

All the approaches complement each other and, at different paces and scales, contribute to and are part of implementing the strategy.

1,461,255 people were reached by the Workers at the Centre strategy in 2023, involving 1,719 suppliers and factories in 46 initiatives and solutions developed with 31 organizations and partners.

This new phase continues the focus on impact and engagement and places a stronger bias on transformation and development, with a public commitment to reach three million people.

The new phase is structured through five Priority Impact Areas (PIAs): social dialogue, health, living wages, respect and resilience, and it strengthens the focus on vulnerable groups as direct recipients of the strategy, including women, migrants, people with disabilities or workers involved in the production of raw materials, among others.

Impacts related to the environment and climate change have been included, ensuring a holistic perspective on respect for human rights, and incorporating issues such as migration and climate change, just transition and the future of work.

Just as in the previous phases, continuous collaboration and dialogue with our stakeholders and with the sustainability teams in clusters remains strategic for developing initiatives, responding to workers' current needs and, to the extent possible, anticipating future needs.

Each of these Priority Impact Areas has a general objective and different lines of action, which are materialised through activities and projects on the ground, developed by our inhouse teams or together with the local and international organisations with which we collaborate. Priority Impact Areas develop, support and combine different types of solutions and interventions to pursue their objectives: partnerships, collaborations with different stakeholders, direct interventions with suppliers or community outreach, among others.

All the approaches combine and interweave and, at different paces and scales, contribute to and are part of implementing the strategy.

8. Training and awareness-raising

A strong culture of sustainability in all areas of the Group is essential to the successful implementation of our business model. To instil a culture of sustainability among all employees, regardless of their position and duties, the Company carries out training to our employees at headquarters, stores, logistics centres, and in the different markets where Inditex operates.

As part of their onboarding process, every employee at headquarters receives training on social and environmental sustainability, to ensure that they understand the basic idea of sustainability and its relevance for the Inditex Group.

After this initial approach to sustainability, employees undertake specific training depending on their roles and responsibilities. Training in this regard is essential for our buying teams due to the impact of their decisions on the sustainability of our products and supply chain. Such training covers responsible purchasing practices and their influence on employee rights.

In this regard, in 2023 as part of our space dedicated to sustainability training and innovation, The Sustainable Fashion School (SFS), we completed the first and second editions of the Foundations of Textile Manufacturing Master's programme, devised in collaboration with the University of Leeds. The Sustainable Fashion School consists of a space for knowledge and inspiration where our buying and design teams are backed by a solid foundation of technical knowledge and access to the latest innovations in sustainability. More than 1,200 people from all the Group's brands have completed the course.

Additionally, the promotion of the corporate ethical culture and the Compliance Model of the Group is underpinned by the implementation of training action adapted to the risk profile of the different groups

of employees that form part of Inditex. In this regard, in 2023, the implementation of the holistic Compliance Training Plan (the Training Plan) has continued. Such Plan includes training, awareness and sensitisation measures covering the priority Compliance risks to which the Group is potentially exposed. In particular, the goal is to ensure a homogeneous and robust oversight of mandatory training, which has been enhanced by the creation of a compulsory training carousel on the corporate e-learning platform, Train. This is a dedicated space that hosts compulsory training courses in specific areas, such as Compliance (which includes training on the Codes), Diversity and Inclusion, Health and Safety, among others.

Training and raising awareness among suppliers are also key to making progress towards the joint continuous improvement of the supply chain from the perspective of Human and Labour rights. Inditex's Sustainability teams advise suppliers through constant communication and training to share the Group's values, to raise awareness of respect and promotion of Human Rights and workers' wellbeing. Training programmes include topics relating to procedures and requirements of the Group, including the Code of Conduct for Manufacturers and Suppliers, and to priority impact areas identified through due diligence.

Likewise, in 2023 a Compliance e-learning training course –including as content the Codes of Conduct, the Ethics Line, the Integrity Policies, among others–, has been made available to the main product suppliers across 50 markets (representing 54% of the Group's product procurement), which will allow the Group to convey the principles and behaviour guidelines the Company expects from the main product suppliers within the framework of our commercial or professional relations with them.

In addition, individual awareness-raising and group training is also provided, the latter run by internal teams or in partnership with reputable organizations with various specialisms. In this regard, 911 suppliers were trained in 2023.

Find out more in the Inditex Group's 2023 [Statement on Non-Financial Information](#) (pages 268 et seq.) and in the specific report on [Workers at the Centre 2023](#).

9. Grievance and queries mechanisms

The third pillar of the Inditex Group's Human Rights strategy, together with the Policy on Human Rights and due diligence, is grievance and queries mechanisms.

Inditex's main grievance mechanism is the Ethics Line, which is managed by the Ethics Committee. The Ethics Line, which is strictly confidential, is an internal communication channel available to any employee, director and shareholder of any company of the Group, as well as anyone working under the supervision and management of manufacturers, suppliers, contractors and subcontractors of the Inditex Group through which they may raise, anonymously if they wish:

- Questions and/or doubts on the interpretation or application of the Group's Code of Conduct and the Code of Conduct for Manufacturers and Suppliers, as well as any other internal rules of conduct within the remit of the Ethics Committee.
- Breaches and other non-compliances relating to infringements of the applicable legal system or of the Codes of Conduct or of any other internal rule of conduct within the remit of the Ethics Committee, affecting Inditex and committed by employees, manufacturers, suppliers or third parties with whom the Group has a direct employment, commercial or professional relationship.

The Ethics Committee is responsible for overseeing the Ethics Line and launching any necessary investigation, and for proposing the relevant remediation, prevention and awareness-raising measures, as the case may be. The decisions of the Ethics Committee, as a collegiate and independent body, are binding upon the Inditex Group and on the persons to whom they are addressed, where applicable.

As mentioned above, the Ethics Committee is the internal body responsible for managing the Ethics Line and must promote the necessary investigations to adequately resolve cases handled, in accordance with the Policy on Internal Reporting Channels and the Ethics Line Procedure (approved and reviewed, respectively, by the Board of Directors in 2023). The aforementioned Policy and Procedure incorporate international best practices in connection with human rights and adapt the Ethics Line to the regulatory requirements of the markets in which the Group operates.

The Policy on Internal Reporting Channels and the Ethics Line Procedure provide the following safeguards and protections for persons concerned:

- Utmost confidentiality
- Presumption of innocence and preservation of the right to honour of the persons affected by the report
- Non-retaliation
- Appropriate use of personal data processed
- The parties' right to be heard

In keeping with best practices in this regard, in 2023 a tool provided by an external supplier was commissioned and placed into operation to receive and handle communications from the Ethics Line. This tool is accessible 24 hours a day, 7 days a week, and is available in 21 languages.

In 2023, the Ethics Line (including both the Global Ethics Line and the various Local Ethics Lines) recorded a total of 515 cases (541 cases in 2022). The total number of cases processed by the Ethics Committee does not reflect those that were rejected because they do not fall within its competence.

Of the total of 515 cases opened by the Ethics Committee in 2023, 413 are closed. Of these, 221 were classified as being beyond the authority of the Ethics Committee or as not requiring any further action or monitoring by the Ethics Committee. Of the remaining closed cases falling within the remit of the Ethics Committee: (i) 42 were queries, (ii) 110 were cases which, after investigation, were found not to be non-compliances, and (iii) the remaining 40 were cases of non-compliance requiring appropriate action. Of the latter, 10 cases were related to the prevention of corruption and bribery, 28 were linked to diversity and respect in the workplace and the remaining 2 were related to other violations of the Inditex Group's Codes of Conduct. In 9 cases, the non-compliances detected affected employees of suppliers of goods and services, and the necessary measures to remedy the situation were taken.

Find out more about the Ethics Committee and the Ethics Line [here](#).

In addition, the Global Framework Agreement (GFA) executed with IndustriALL Global Union signed in 2007 and renewed in 2019 is a testimony of the commitment of the Group and IndustriALL to the promotion of labour rights in the textile and footwear supply chain, and with compliance with international labour regulations and our own

Code of Conduct for Manufacturers and Suppliers. Our agreement and relationship with IndustriALL also cover mechanisms to listen to and escalate concerns relating to labour standards. Inditex relies on social dialogue as a key mechanism to promote mature labour relations within our supply chain.

Inditex is, in essence, committed to respecting and promoting human and labour rights throughout its value chain, in particular, its supply chain. The Group strongly believes that this individual commitment is strengthened by a collective approach including through collaboration with governments, the industry, civil society and other stakeholders.

This Statement has been approved by the Board of Directors and the Managing Director of Inditex Norge.

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