INDITEX

California Transparency in Supply Chains Act

Inditex USA, including the following companies which belong to and are part of the Inditex Group: Zara USA, Inc., Massimo Dutti USA, Inc., ITX USA LLC, Zara Puerto Rico, Inc. and Bershka USA, Inc., is fully committed to respecting, promoting, and protecting Human Rights within its entire value chain; this being one of the main pillars of our business model.

Inditex is committed to preventing forced labor at all levels within its value chain, particularly its supply chain. The Group strongly believes that this individual commitment is strengthened by a collective approach through collaboration with stakeholders (including NGOs, civil society, suppliers, industry peers, etc.) to drive systematic and effective changes at sector level to create a positive impact in the long run.

This Statement constitutes "Inditex Group Modern Slavery, Human Trafficking and Transparency in Supply Chain Statement" for the fiscal year ended on 31 January 2025 and refers to both Industria de Diseño Textil, S.A. (Inditex, S.A.) and its subsidiaries (the "Company", "Inditex" or the "Group").

This Statement, made pursuant to the California Transparency in Supply Chains Act 2010 (SB657), addresses the measures that the Inditex Group relies on to prevent and mitigate the risk of modern slavery and human trafficking.

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 labor standards. Inditex also establishes monitoring and direct cooperation tools with its suppliers and takes part in multilateral dialogues with organizations and institutions in the field.

In 2024 we had 6,615 factories[1], which included all tiers of our supply chain, in 50 markets and employed more than three million people.

Below, please find a summary of Inditex's programs and initiatives. To see the full statement, please click here.

Policies and Commitments

Inditex zero-tolerance policy on slavery, human trafficking and any form of forced labor is covered in the Code of Conduct for Manufacturers and Suppliers, implemented in the Group's internal regulations and in its commitments in the area.

All the suppliers and factories involved in producing goods that Inditex sells are expressly required to abide by Inditex's values and responsible practices.

Policies and Internal Regulations

Before commencing work for Inditex, all suppliers, 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.

/ **Human Rights Policy:** Following the United Nations Guiding Principles on Business and Human Rights, this policy sets forth Inditex's position regarding its commitment to respecting internationally recognized Human Rights, and it lays down such values and principles that will serve as a guideline to all its business activities.

Rejection of forced labor is one of the rights singled out in the Inditex Policy on Human Rights. In this regard, the Policy reads: "Inditex rejects any form of forced or compulsory labor", as defined in ILO Convention 29.

This extends both to its own employees and its entire supply chain, as well as to any natural and/or legal person related to Inditex.

/ **Sustainability Policy:** The Sustainability Policy defines the principles that sustain the relations of the Group with all its stakeholders, favoring the integration of sustainability practices within its business model, on the premise that its business activity is carried out with full respect for people, the environment and the community at large, based upon the commitment the Group has made to respecting human rights and to sustainable growth.

/ **Code of Conduct:** 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.

/ **Code of Conduct for Manufacturers and Suppliers:** It is enforced across the entire supply chain, including all tiers and processes and establishes the framework that governs their relationships with Inditex.

The first section of the Code of Conduct for Manufacturers and Suppliers provides that: *"Inditex shall not allow any form of forced or involuntary labor in their manufacturers and suppliers. They may not require their employees to make any kind of "deposits", nor are they entitled to retain employees' identity documents. Manufacturers shall acknowledge the right of their employees to leave their employer after reasonable notice."*

The Code of Conduct for Manufacturers and Suppliers specifies that "aspects related to such limitations will be governed by Conventions 29 and 105 of International Labor Organization (ILO)".

[1] Figures include suppliers with more than 20,000 production units in the 2024 summer and winter campaigns, based on the primary data extracted from the Company's systems (suppliers with production of fewer than 20,000 units represent 2%).

Commitments and Initiatives

/ Commitment to Ten Principles of United Nations Global Compact.

/ Commitment to the Sustainable Development Goals (SDGs).

/ Global Framework Agreement with IndustriALL Global Union.

/ Members of Ethical Trading Initiative (ETI).

/ Public-Private Partnership with ILO to Promote respect for the fundamental principles and rights in the cotton sector.

/ Participation in ILO's Better Work Program.

/ Participation in Shift's Business Learning Program.

/ Collaboration with United Nations High Commissioner for Refugees (UNHCR).

/ Collaboration with Tent Partnership for Refugees.

/ Country partnership for zero child poverty.

Due Diligence Process

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 relationships with our business partners, suppliers and large customers, with the processes described in the international standard ISO 37001 Anti-Bribery Management Systems in organizations, 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.

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 2024 Inditex Group audited a number of the distribution centers Inditex works with, both in Spain and other markets. The procedure is the same as our social audit of the factories in our supply chain. In this regard, Inditex carried out 60 social audits of external distribution centers this year.

At Inditex, we believe in continuous improvement as a key to advancing towards our goals and strategies. The 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.

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

Specifically, CAPs comprise the following stages:

/ Initial meeting: at this meeting, any non-compliances detected are analyzed, 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.

306 Corrective Action Plans were conducted in 2024, 223 of these plans were carried out in factories with a 'Subject to CAP - D' rating, and 83 at production centers with other ratings.

"Workers at the Centre" strategy

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.

This new phase continues with the focus on impact and

engagement and places a stronger bias on transformation and development, with a public commitment to reach three million people.

Workers at the Centre 2023 – 2025 is structured through five Priority Impact Areas (PIAs) identified through a due diligence process: social dialogue, health, living wages, respect, and resilience.

The strategy also 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.

Each of these Priority Impact Areas has a general objective and different lines of action, which materialized through activities and projects on the ground, developed by our in-house teams or together with the local and international organizations with whom 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.

In particular, the Priority Impact Area of "Respect" -reaching more than 174,917 people and 369 suppliers and factories in 2024- works in two lines of action:

Respectful work environments free from any kind of violence and harassment

We carry out activities in an evidence-based approach, aimed at understanding the specific needs in both the workplace and the community to develop solutions to halt violence and harassment. Hence, we foster a culture of respect as a preventive measure, while strengthening mitigation and remediation measures as needed.

Fair recruitment and employment culture

Providing decent work and using fair recruitment and employment practices are among the key aspects of this Priority Impact Area. At Inditex we have a zero-tolerance policy towards child labor and any kind of forced labor. These topics are discussed in our Code of Conduct for Manufacturers and Suppliers, which specifies the employment of children and any form of forced or involuntary labor in our supply chain is forbidden.

Protection of migrant and refugees

Inditex aims to raise awareness about the relevance of integrating migrants and refugees into the recipient communities by means of projects and the dissemination of best practices.

Zero tolerance for child labor

At Inditex we are committed to ensuring that our supply chain is free of child labor, and that is why we have established a series of policies and actions as a way of prevention, mitigation and remediation. All suppliers and factories are informed about this policy when they start their commercial relationship with Inditex, and compliance includes different approaches such as training, guidance, evaluation, and remediation plans.

Specifically, the child labor remediation plan is a mandatory process implemented globally that is activated if a worker is found to be under the age stipulated in our Code. Suppliers and factories are responsible for developing and implementing a series of feasible corrective actions following this communication and for reaching an agreement with the minor and their guardians, which includes providing schooling opportunities for the minor, paying them a living allowance until the age of 16, or employing an adult family member in their place, among other measures, to reduce the likelihood of them returning to work to support their family.

As these plans are implemented, they are continuously monitored by Inditex's internal teams, and external expert organizations may also be brought in to collaborate.

Due diligence in the cotton supply chain

Based on our due diligence processes and in collaboration with various organizations, Inditex continues to work to ensure the absence of forced labor – of which Inditex has a zero-tolerance approach – as well as to promote compliance with international standards and our Code of Conduct for Manufacturers and Suppliers including in the raw materials supply chain. Inditex has developed and applies strict policies and actions with the goal of fostering respect for the human rights of all workers in our supply chain.

Our compliance program, together with the activities related to the 'Workers at the Centre' strategy, and our close partnerships with stakeholders such as the ETI or ILO strengthen our commitment to the prevention of forced labor. Inditex remains committed to the involvement of dialogue with relevant stakeholders (both local and international) to identify opportunities to prevent negative impacts on workers' lives.

For this reason, Inditex takes action at the following levels:

- At community level: by means of the Public Private Partnership with the ILO to enhance Human and Labor rights within the cotton supply chain covering the fundamental rights and principles at work, including the prevention of forced labor.
- At industry level: as established in the UN Guiding Principles on Business and Human Rights and in collaboration with relevant stakeholders, the Group works to promote the Human and Labor rights of workers within the global textile supply chain.

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 labor, 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:

- Analyzing whether third parties are included on sanction lists;
- Analyzing 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.

Traceability

Inditex sees traceability as an ability to identify and trace the history, application, location and distribution of products, parts and materials. Accordingly, we have traceability management and assessment programs. 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.

Based on our Traceability Requirements, suppliers must:

/ Know their supply chain and work exclusively with manufacturers and intermediaries previously assessed and authorized by Inditex and which comply with all our sustainability standards.

/ Know and understand us of all the facilities and intermediaries involved in each of the production processes, from the fiber or yarn to the final garment for each order.

/ Provide proof of the use of lower-impact raw materials2 by means of documentation proving their origin, as well as certifications of the facilities if applicable.

To facilitate the implementation of these requirements and to help our suppliers improve their traceability processes, we use our In.Trust 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 a 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 2024, 10,387 traceability audits were conducted.

Find out more in the Inditex Group's 2024 Statement on Non-Financial Information and Sustainability Information (pages 312 et seq.).

Suppliers' verification and audits

Inditex's due diligence framework is designed to identify, prevent, and address human rights risks across its value chain, with a strong focus on the supply chain. These processes are continuously updated through collaboration with stakeholders, sustainability teams, and strategic partners.

All suppliers and manufacturers must comply with Inditex's **Code of Conduct for Manufacturers and Suppliers**, which explicitly prohibits forced and child labor. Before entering the supply chain, potential partners undergo **pre-assessment audits** to verify compliance with human rights standards. In **2024**, Inditex conducted **2,175 pre-assessment audits**.

Once approved, suppliers are subject to **periodic social audits**, conducted by internal and external auditors, often unannounced. The audit methodology was developed in partnership with **IndustriALL Global Union**, the **University of Northumbria**, and the **Cambridge Centre for Business and Public Sector Ethics**. Audits assess:

- Employment documentation and age verification
- Freedom of movement and contract termination
- Use of recruitment agents and hiring fees
- Working conditions and grievance mechanisms

[2] Information on the criteria that fibres and materials must fulfil to be classified as lower-impact available in the Methodological Annex of Inditex Group's 2024 Statement on Non-Financial Information and Sustainability Information.

In 2024, Inditex performed 6,468 social audits, using both proprietary methods and the Social & Labour Convergence Program (SLCP) framework. Audit results are categorized as:

A – Full compliance

B – Minor non-relevant issues

CAP-C – Sensitive issues requiring corrective action

CAP-D – Serious breaches requiring immediate action

PR – Pending review

94% of manufacturers were rated A or B. Facilities not meeting standards are blocked from receiving orders until corrective actions are completed.

Inditex also conducts environmental audits under the Green to Wear standard and supports continuous improvement through Corrective Action Plans (CAPs), supplier training, and targeted interventions.

These audits help identify country-specific challenges and inform broader initiatives like the Workers at the Centre strategy, which enhances human rights protections and promotes ethical practices across the global supply chain.

Inditex supports suppliers through Corrective Action Plans (CAPs), training, and environmental audits under the Green to Wear standard. These efforts are part of a broader strategy to promote ethical practices and improve working conditions across the supply chain.

Grievance and queries mechanisms

As part of Inditex's Human Rights strategy, the Ethics Line provides a confidential channel for reporting concerns. Managed by the Ethics Committee, it is available to employees, suppliers, contractors, and other stakeholders, allowing anonymous submissions related to:

- Interpretation of Codes of Conduct.
- Breaches of legal or ethical standards by individuals or entities with direct ties to Inditex.

The Ethics Committee investigates cases and recommends remediation, prevention, or awareness measures. Its decisions are binding and guided by the Policy on Internal Reporting Channels and Ethics Line Procedure, approved and reviewed in 2023. These policies ensure the following safeguards and protections for persons concerned:

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

In 2023, Inditex launched a 24/7 multilingual reporting tool. In 2024, the Ethics Line received 791 concerns (up from 515 in 2023). Of these, 313 were classified as being beyond the authority of the Ethics Committee and 63 as not requiring any further action or monitoring by the Ethics Committee. Of the remaining closed cases: (i) 64 were queries, (ii) 75 were cases which, after investigation, were found not to be in non-compliance, and (iii) the remaining 41 were cases of non-compliance requiring appropriate action. Of the latter, four cases were related to the prevention of corruption and bribery, 34 were linked to diversity and respect in the workplace, and the remaining three were related to other violations of the Inditex Group's Codes of Conduct. In three cases, the non-compliances detected affected employees of suppliers of goods and services, and the necessary measures to remedy the situation were taken.

This mechanism supports accountability and ethical conduct across Inditex's global operations.

More information about the Ethics Committee and Ethics Line.

Training and awareness

Inditex fosters a strong culture of sustainability through comprehensive training across all areas of the Group. All employees—whether at headquarters, stores, logistics centers, or international markets—receive sustainability training tailored to their roles.

New hires at headquarters begin with foundational training on social and environmental sustainability. Role-specific programs follow, with buying teams receiving specialized instruction on responsible purchasing and its impact on supply chain ethics.

In 2024, over 1,600 employees completed the "Foundations of Textile Manufacturing" Master's program through the Sustainable Fashion School, developed with the University of Leeds. This initiative equips design and buying teams with technical knowledge and the latest sustainability innovations.

The Group's Compliance Training Plan, also expanded in 2024, includes mandatory courses on Codes of Conduct, Diversity and Inclusion, and Health and Safety, delivered via the Tra!n e-learning platform. Training is adapted to employee risk profiles to ensure consistent understanding of ethical standards.

Inditex also trains suppliers to uphold human and labor rights. Sustainability teams provide ongoing guidance, and in 2024, a compliance e-learning course was launched across 30 markets, covering Codes of Conduct, the Ethics Line, and Integrity Policies.

Training is delivered through both individual sessions and group workshops, often in collaboration with expert organizations, ensuring continuous improvement and alignment with Inditex's values.

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