

**SUSTAINABILITY COMMITTEE'S REGULATIONS**

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

**APPROVED BY THE BOARD OF DIRECTORS  
ON 12 MAY 2022**

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## CHAPTER I. PRELIMINARY

### **Section 1. Nature and purpose**

1. Pursuant to the corporate governance system, of Industria de Diseño Textil, S.A. (Inditex, S.A.) (the "**Company**"), the Board of Directors has set up the Sustainability Committee (the "**Committee**"), a permanent internal consulting and advisory body, without executive duties, with information, oversight, advisory and proposal-making powers within its scope of action, which shall be governed by the provisions set forth in applicable regulations, the Articles of Association, the Board of Directors' Regulations and in these Sustainability Committee's Regulations, (the "**Regulations**").
2. These Regulations seek to determine the guidelines for action of the Sustainability Committee, the basic rules of its organization and proceedings and the standards of conduct for its members, fostering its independence.

### **Section 2. Priority and interpretation**

1. These Regulations further develop and supplement the provisions of applicable regulations, of the Articles of Association and the Board of Directors' Regulations which apply to the Committee, which shall prevail in case of inconsistency with the provisions of the former.
2. These Regulations shall be construed pursuant to applicable regulations, the Articles of Association and the Board of Directors' Regulations, as well as to the recommendations on corporate governance of Spanish listed companies and the best corporate governance practices applied in the countries around Spain, from time to time in force.
3. In the absence of a specific rule and to the extent that they are not incompatible with the nature of the Committee, the provisions of the Board of Directors' Regulations regarding the proceedings of the Committee and namely, calling of the meetings, granting of proxy to another director, quorum, conduct of meetings and system for passing resolutions, casting of votes in writing without a meeting, and approval of the minutes shall apply to the Committee.
4. The settlement of any doubts arising from or in connection with the enforcement of these Regulations falls on the Board of Directors pursuant to the general criteria used for the interpretation of legal rules and taking into account the purpose of the Committee.

### **Section 3. Approval and amendment**

1. The power to approve or amend these Regulations falls on the Board of Directors, at its own behest, at the behest of its Chair or at the behest of the Committee.
2. The proposal to amend these Regulations at the behest of the Committee shall be

accompanied by the relevant memorandum in support of such amendment.

3. The text of the proposal approved and, where appropriate, the memorandum in support drafted by the Committee shall be made available to the directors prior to the meeting of the Board of Directors in which the amendment of these Regulations is to be deliberated on.

#### **Section 4. Compliance and dissemination**

1. Committee members, as well as all other members of the Board of Directors to the extent they are affected, are bound to be familiar with, comply with and enforce these Regulations, for which purpose they shall be posted on the Company's corporate website.
2. Additionally, the Committee shall ensure compliance with these Regulations and take all appropriate steps so that they are duly circulated within the Company and its subsidiaries (the "Group").

### **CHAPTER II. MISSION AND POWERS OF THE COMMITTEE**

#### **Section 5. Mission of the Committee**

1. The Sustainability Committee is the consulting and advisory body responsible for advising the Board of Directors on the matters under its remit, overseeing and monitoring the motions on sustainability in the social and environmental field, in the field of health and safety of the products that the Company or any company of the Inditex Group sells, and of the relations with the different stakeholders. Additionally, the Committee is responsible, together with the Audit and Compliance Committee, for overseeing the information included in the statement on non-financial information and in any other public documentation related with its powers.
2. In the performance of its duties, the Committee shall take into account the following basic principles of action:
  - (i) Independence from instructions from and ties with third parties which might compromise the proceedings of the Committee.
  - (ii) A constructive dialogue that fosters the freedom of speech of its members and encourages the diversity of opinions.
  - (iii) Ongoing and effective dialogue with the Sustainability Department of the Company, the Social Advisory Board, the Chair of the Board of Directors, the Chief Executive Officer and other executive directors, if any, the Lead Independent Director, and with the members of the management teams; and
  - (iv) Required analytical skills, employing for such purposes external advisors where this is deemed necessary for the appropriate discharge of its duties, namely

relating to certain controversial, new or especially complex issues, issues of a technical nature or particularly relevant ones.

3. Without prejudice to any other tasks it may be entrusted with by the Board of Directors, and to other powers it may be reserved by these Regulations, the Committee shall have the following basic responsibilities:
- (a) To verify that the environmental and social practices of the Company are aligned with the corporate strategy and policy.
  - (b) To oversee the monitoring of compliance with the Code of Conduct for Manufacturers and Suppliers by the suppliers of goods sold by the Company and its Group.
  - (c) To verify that the goods that the Company sells comply with the product health and safety standards.
  - (d) To verify compliance with the most exacting environmental standards, encouraging biodiversity conservation and the sustainable management of natural resources in respect of use of raw materials, production processes, product and store.
  - (e) To regularly review the internal regulations on sustainability of the Group, and to propose to the Board, if appropriate, any update or amendment thereof, and to monitor compliance with them for the purposes of ensuring that that they fulfil the mission to promote the corporate interest and catering as appropriate to the legitimate interests of remaining stakeholders.
  - (f) To oversee the process to prepare and publish, as well as the clarity and integrity of the regulated and non-regulated non-financial information with regard to issues that fall under its purview in accordance with applicable regulations and international standards of reference.
  - (g) To oversee and evaluate the processes of relations with the different stakeholders of the Company and its Group with regard to issues that fall under its purview.
  - (i) To report, prior to its approval, on any document that the Company must publish relating to the matters under the Committee's purview.
  - (k) To propose to the Board of Directors the policies, targets and strategies to be followed-up regarding the foregoing responsibilities herein set out; and
  - (j) To deliver a more intensive and committed management of sustainability and social or environmental issues.

## **Section 6. Powers relating to sustainability**

With regard to the sustainability of the Company and its Group, the Committee has the following main duties:

- (a) To regularly review and oversee compliance with the internal regulations of the Group in the field of sustainability, and in particular, with the Sustainability Policy, ensuring that it focuses on creating value, to review it, and to propose to the Board, if appropriate, its update and amendment.
- (b) To review the recommendations and best business practices on the market in the field of sustainability.
- (c) To follow up on the social and environmental sustainability strategy and practices, assessing whether they adhere to the Sustainability Policy, and assess the level of achievement and, where appropriate, to propose recommendations to improve the positioning of the Company and the Group in the field.
- (d) To verify and encourage compliance by the Company and all the companies of its Group with the most exacting policies, regulations and standards on human, labour and environmental rights to the extent that they affect the workers across the entire supply chain, production processes, product and store.
- (e) To be apprised of the different public or private initiatives launched in the countries where the Group operates, relating to social and environmental sustainability.
- (f) To be apprised of the listing and ranking of the Group in the most exacting and renown international sustainability indices.
- (f) To encourage compliance by the Group with the 17 Sustainable Development Goals set by the United Nations (the "SDGs").
- (h) To receive from the Sustainability Department at least once a year and whenever the Committee may deem it fit for the appropriate exercise of its duties, information on the Sustainability Policy and specifically on:
  - a. compliance with the Code of Conduct for Manufacturers and Suppliers, with special reference to the result of the social audits, as well as the projects directly or indirectly executed by the Company for the purposes of ensuring the application and observance of human and labour rights across the entire production line.
  - b. achievement of the goals of the Strategic Sustainability Plan from time to time in force regarding social, environmental, and health and safety of the product issues; and

- c. progress in the level of compliance with public and internal commitments undertaken by the Company in the field of Sustainability.

### **Section 7. Powers relating to the relations with the different stakeholders**

With regard to the relations established with the different stakeholders of the Company and its Group, the Committee has the following main duties:

- (a) To advise and apprise the Board of the main interests and requirements of the different stakeholders of the Company and its Group.
- (b) To oversee and evaluate – in coordination with the Audit and Compliance Committee, with regard to issues that fall under its purview – the strategy on communication and relations with shareholders – including small and medium shareholders – investors, proxy advisors and other stakeholders, and the enforcement of the Policy on Disclosure of Economic-Financial, non-Financial and Corporate information, and foster its enhancement.
- (c) To oversee and evaluate the procedures and communication channels of the Company and its Group with the different stakeholders, with regard to issues that fall under its purview, and encourage their improvement, in coordination with the Audit and Compliance Committee, where applicable.
- (d) To oversee the process to prepare and publish regulated and non-regulated non-financial information, as well as its clarity and integrity, with regard to the areas of its responsibility, in particular the information provided in the statement on non-financial information and in the directors' report, in accordance with applicable regulations and international standards of reference, in particular regarding the contribution to SDGs. Upon exercising this oversight duty, the Committee will act in coordination with the Audit and Compliance Committee to ensure a consolidated view on the effective application of the policies that fall under their respective purview.
- (e) To review and apprise the Board of Directors of the latest advertisement and responsible marketing trends; and
- (f) To make proposals aimed at improving the Company's reputation, the image of its different commercial brands, the transparency and the ethics standards that guide the Group's activity.

### **Section 8. Other powers entrusted to the Committee**

Additionally, the Committee shall have the following duties:

- (a) To issue such reports and carry out proceedings that fall within its remit, or which are required by the Board of Directors or its Chair.

- (b) To report on the appointment and removal of the members of the Social Advisory Board of the Company, before the report issued by the Nomination Committee, assessing the suitability, competencies, knowledge, experience and other occupations of the prospective candidates.

The Committee may also submit proposals on appointment of candidates to serve on the Social Advisory Board where it deems its appropriate.

- (c) To issue reports on the internal regulations of the Company on matters that fall under its purview.
- (d) To assess the draft bills and the amendments of national as well as foreign or international regulations on sustainable development, corporate social responsibility and related issues, and their potential impact on the Group's activity; and;
- (e) To prepare an annual report on the proceedings and activities of the Sustainability Committee.

### **CHAPTER III. COMPOSITION OF THE COMMITTEE**

#### **Section 9. Composition and offices**

1. The Committee shall be made up of a number of non-executive directors no lesser than three nor higher than seven, the majority of whom shall be independent.
2. Committee members shall be appointed by the Board of Directors after report of the Nomination Committee.

The Board of Directors shall strive to ensure that Committee members, and namely the Chair, have the appropriate knowledge, qualifications and experience to perform the duties they are called upon to perform, including on sustainability, social action initiatives, sustainable resources management and design of communication policies with stakeholders.

Likewise, the Board of Directors shall encourage a diverse membership on the Committee as regards professional experience, competences, personal skills, sector-specific knowledge, international experience or geographic origin, age and gender, taking into account the restrictions that are a result of the smaller size of the Committee.

3. The Board of Directors shall appoint a Chair from among the independent directors sitting on the Committee, ensuring that he/she is sufficiently qualified and available.
4. The Board of Directors shall also appoint a Secretary of the Committee, who needs not be a director or member of said Committee; in such case, the Secretary shall have the right to speak but not to vote.



**Section 10. Term of office**

1. Committee members shall hold their office while they remain as directors of the Company, except if the Board of Directors resolves otherwise.
2. Committee members who are re-elected by the Company by resolution of the General Meeting of Shareholders shall remain in their office within the Committee, without the need for a new election, without prejudice to the power of revocation that lays with the Board of Directors.

**Section 11. Removal**

Committee members shall vacate office:

- (a) When they cease to be directors of the Company.
- (b) When they cease to be non-executive directors, even if they remain on the board of directors; or
- (c) By resolution of the Board of Directors.

**CHAPTER IV. PROCEEDINGS OF THE COMMITTEE****Section 12. Committee meetings**

1. The Committee shall meet, at least three times a year and each time that its Chair calls it. The Chair must call the Sustainability Committee whenever the Board of Directors or the Chairman thereof would request the issue of a report or the approval of motions within the scope of its powers and, at any rate, whenever it is useful for the successful performance of its functions. The Committee shall also meet when so requested by at least one third of its members; in such case, the meeting shall be called by the Chair to be held within fifteen days of the request.
2. Ordinary meetings shall be called by letter, fax, telegram or e-mail and the notice shall be signed by the Chair or the Secretary. The notice calling the meeting shall be given at least three days in advance.

The notice of the meeting shall always include the agenda and it shall be accompanied by the duly summarised and prepared relevant information.

3. The Chair may call extraordinary meetings when in their view, the circumstances so justify; in such cases the notice period and the remaining requirements laid down in the above paragraph shall not apply.

The Chair may also arrange working meetings to prepare committee meetings on specific topics apart from the formal meetings of the committee.

4. The Committee shall prepare an annual working plan and shall inform the Board thereof. The working plan shall include, at least, the specific objectives for the financial year and

an annual calendar of ordinary meetings.

5. Likewise, the Committee shall, as far as possible, endeavour to provide for the possibility of relying on external advisors, and shall set out the corresponding training plan for them to correctly execute their duties.

### **Section 13. Quorum**

1. A quorum for Committee meetings shall be declared when at least half plus one of its members, present or represented are in attendance. In the event of an uneven number of directors, a quorum for the Committee meeting shall be declared when the whole number of directors immediately above half attends.
2. Directors shall make their best efforts to attend the meetings of the Committee and, whenever they cannot attend in person, they shall endeavour to grant proxy to another member of the Committee, with the relevant instructions, informing thereof the Chair of the Committee.
3. Without prejudice to the foregoing, a quorum for Committee meetings shall be declared if all its members, present or represented, unanimously accept to hold the meeting.

### **Section 14. Venue**

1. Meetings of the Committee shall be held at the place designated in the notice calling the meeting.
2. The Committee may also pass resolutions in writing, without a meeting, pursuant to the provisions of applicable regulations. Likewise, committee meetings may be conducted via video conference or conference call system or equivalent system allowing to recognize and identify attendees, for them to communicate, speak and cast vote, all of it in real time. In any case, the meeting shall be deemed to have been held at the registered office. The Secretary of the Committee shall record in the minutes of the meetings held by these means, not only the members who attend in person or, where appropriate, by proxy granted to another director, but also those members attending the meeting via conference call, video conference or equivalent system.

### **Section 15. Attendance**

1. The Committee may call executive and non-executive directors, members of Management and any employee of the Company, who shall be bound to appear before the Committee, attend its meetings and provide their assistance and access to the information available to them when the Committee so requests.
2. Those in attendance at Committee meetings shall not take part in any stages of the deliberations of agenda items.

Efforts will be made to ensure that presence at Committee meetings of anyone other than its members is limited to such cases where it is necessary, and for the transaction

of specific items on the agenda for which they were called to attend.

### **Section 16. Resolutions**

1. Except in those cases where a larger majority is required by applicable regulations, the Articles of Association, the Board of Directors' Regulations or these Regulations, resolutions shall be passed by an absolute majority of the votes of the members attending the meeting. In case of equality, the Chair shall have a casting vote.
2. The deliberations and resolutions passed by the Committee shall be entered into a Book of Minutes. Minutes shall be signed by the Chair and the Secretary, or by the person acting in their stead in the meeting to which the minutes refer to. Copies and certificates of the minutes shall be authorized and issued by the Secretary with the approval of the Chair, or by the persons acting in their stead.

## **CHAPTER V. AUTHORITIES OF THE COMMITTEE AND DUTIES OF ITS MEMBERS**

### **Section 17. Authorities and advice**

1. The Committee may request, through the Secretary of the Board of Directors, access to any information or documentation available to the Company relating to matters within its purview and which it deems necessary to perform its duties.
2. To ensure that the Committee performs its duties at its best, it may seek the advice of external advisor, and for such purpose, the provisions of the Board of Directors' Regulations on this issue shall apply.
3. The Committee shall set up an induction programme for new members that ensures a minimum and streamlined knowledge of the business and organizational model of the Company as well as its strategy and the scope of supervision of the Committee, which facilitates their active participation from the outset.

Such induction programme shall cover at least: (i) the role of the Committee, its responsibilities and objectives; (ii) the proceedings of all other board committees; (iii) the expected time of dedication for each officer on the Committee; (iv) an overview of the business and organizational model of the Company, its strategy and powers, and the knowledge and experience that directors must have; and, (v) the reporting obligations of the Company.

Likewise, the Committee shall arrange such periodic training sessions that it may deem appropriate for new members to properly carry out their duties.

### **Section 18. Duties of Committee members**

1. Committee members shall act with independence of judgment and action with respect to the rest of the organization and carry out their duties with the utmost diligence and professional competence.
2. Committee members are subject as such to all the duties of directors set forth in the

Board of Directors' Regulations, to the extent that they are applicable to the responsibilities discharged by the Committee.

### **Section 19. Conflicts of interest**

Where the business to be transacted at Committee meetings directly affects any of its members or their related persons, and generally, when such member is involved in a conflict of interest situation, the proceedings provided for such purpose in the Board of Directors' Regulations shall be followed.

## **CHAPTER VI. RELATIONS OF THE COMMITTEE**

### **Section 20. Relations with the General Meeting of Shareholders**

1. The Committee will report to the General Meeting of Shareholders on the questions raised by the shareholders regarding matters that fall within its purview.
2. The annual report on the activities of the Committee referred to in the following section shall be made available to shareholders with the notice of the Annual General Meeting.

### **Section 21. Relations with the Board of Directors**

1. The Committee shall report, through its Chair, to the Board of Directors on all business transacted and all resolutions passed, as well as on its proceedings and the work done at the first meeting of the Board of Directors held immediately after. Likewise, a copy of the minutes of the meetings of the Committee shall be made available to all of the directors.
2. The Board of Directors or its Chair shall make requests for proposals or reports from the Committee. Likewise, the Committee shall consider the recommendations made by the Chair, the members of the Board of Directors and the Company's shareholders.
3. Within the first six months following the close of each financial year, the Committee shall submit to the Board of Directors, for approval, an annual report on its proceedings and activities in the previous year.

### **Section 22. Relations with the Social Advisory Board**

1. The Social Advisory Board is a permanent internal consulting and advisory body, without executive duties, with information, advisory and proposal-making powers in the area of social and environmental sustainability. Consequently, it will advice and support the Committee regarding sustainability matters of the Company and the Group.
2. The Social Advisory Board will regularly report to the Committee, at least once a year, in joint meetings, on it proceedings and on the main business transacted by the former, for the purposes of informing about its role and findings regarding the statement on non-financial information and the social and environmental sections of Inditex's Annual Report (Integrated Report).

In any case, the Sustainability Committee or its Chair may request from the Social Advisory Board that it issues reports and/or that it engages in specific proceedings within its remit, whenever this is convenient for the better discharge of the duties of the Committee.

**Section 23. Relations with the Chair, the CEO and other executive directors, if any, the Management and other employees**

For the purposes of ensuring the appropriate performance of its duties, the Committee shall have regular contact with the Chair, the CEO and other executive directors, if any, the Management and any other employees, and it may request their presence at its meetings.

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