

**POLICY ON DEALINGS WITH  
PUBLIC SERVANTS**

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

**APPROVED BY THE BOARD OF DIRECTORS**

**ON 19 SEPTEMBER 2017**

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## **1. Purpose**

This Policy on Dealings with Public Servants (hereinafter, the **“Policy”**), approved by Inditex’s Board of Directors, implements certain aspects of the Policy on Criminal Risk Prevention, and intertwines with the ethical values of the Inditex Group (hereinafter, **“Inditex”** or the **“Company”**) defined in its Codes of Conduct and Responsible Practices and for Manufacturers and Suppliers.

This Policy, together with the Policy on Gifts and Business Courtesies, and the Policy on Donations and Sponsorships, comprise the so-called Integrity Policies.

This Policy takes into account not only the interests of the Company, but also the requirements and expectations of its employees, customers, shareholders, manufacturers and suppliers, business partners, NGOs, local communities, and those of the society at large, (hereinafter, the **“Stakeholders”**).

Inditex actively fights and condemns any corrupt practices, which, in addition to violating any applicable statutory provisions, where appropriate, would also be contrary to its ethical principles and values, covered in the abovementioned internal regulations.

## **2. Scope of application**

This Policy is mandatory and applies directly and globally to all the companies belonging to Inditex, regardless of the geographical area where they are based. It binds its entire workforce, regardless of their position and the duties they perform.

This Policy is also mandatory for all natural and/or legal persons associated with Inditex, to the extent applicable. Such persons shall express, where appropriate, in writing, their commitment to enforce it.

This Policy shall be available on the INET for all the employees, and it will be provided to all Stakeholders upon request. Likewise, notice thereof will be given to all directors, senior executives, and any representative of the Company – where so required considering the type of relation – who shall express in writing their commitment to enforce it.

### **3. Contents of the Policy**

#### **3.1. General Principles**

Pursuant to the definitions in this Policy, Inditex strongly rejects any manner of bribery to public servants, including facilitation payments. Through this Policy, Inditex seeks to ensure that all its employees, as well as such third parties with which it conducts business, comply with the main anti-bribery regulations applicable in the markets where it is present. For such reason, this Policy endorses the standards set in international standard ISO 37001, on Anti-Bribery Management Systems.

Pursuant to the provisions of Inditex's internal regulations, namely, the Compliance Policy and the Compliance Management Procedure, it shall be incumbent on the General Counsel's Office-Code Compliance Office to ensure the appropriate implementation of this Policy. Any violations of this Policy shall be managed pursuant to the terms of section 3.5 below.

#### **3.2 Bribery in the public sector**

##### **3.2.1 Meaning of bribery in the public sector**

Under this Policy, briberies in the public sector are expressly prohibited.

For the purposes of this Policy, and within the public sector environment, **bribery** consists of offering, paying, promising, giving, accepting or requesting from a public servant, either directly or indirectly and wherever they may be based, any kind of undue advantage (whether of a financial nature or otherwise), violating the provisions of the applicable regulations, as an inducement or reward for acting, or refraining from acting regarding performance of their duties.

Bribery may also take the form of a handout or reward, and be paid, in this case, after an inappropriate action has been taken in the interest of someone else.

##### **3.2.2 Extortion payments**

For the purposes of this Policy extortion payments shall not qualify as bribery.

**Extortion payments** shall mean any payments made to any third party further to a threat, extortion or any other circumstances which may jeopardize the physical or mental safety of the paying parties.

Any request for extortion payments shall be notified to the General Counsel's Office – Code Compliance Office, in order to report them to the relevant authorities, and deal with them, as appropriate.

### **3.2.3 Meaning of public servant**

For the purposes of this Policy, **public servant** shall mean:

- Government employees, local, official, or any other person who performs duties for a given country or territory.
- Those who discharge administrative, legislative or judicial duties, further to an appointment, election or succession, in a given country or territory.
- Members of any political party, or anyone otherwise belonging to a political party.
- Candidates for public office.
- Those who discharge any other manner of official functions, both at central or local government level, as member of the Cabinet or of any Department.
- Employees or officials of a government agency, or any publicly funded organization.
- Public servants or officers of an international public law organization.

### **3.2.4 Facilitation payments**

Under this Policy, facilitation payments are expressly prohibited, even in such cases where such payments are not forbidden by the applicable laws in the country or territory in question.

**Facilitation payments** shall mean, for the purposes of this Policy, small payments made to any public servant or any official charged with processing tasks, or similar certification tasks, to ensure or expedite a routine non-discretionary action.

### 3.3 Bribery in the private sector

Under this Policy, bribery in the private sector is expressly prohibited.

For the purposes of this Policy, **bribery in the private sector** shall mean the reception, request or acceptance by any director, executive, employee or collaborator of Inditex, acting personally or through an intermediary, of an undue benefit or advantage of any kind, either for them or for a third party, in exchange for unduly favouring someone else in respect of purchase or sale of goods, or hiring of services, or business relationships.

### 3.4 Due diligence in the selection of third parties

**Due diligence** processes shall mean, for the purposes of this Policy, those whereby it is ensured that the conduct of third parties associated with Inditex is aligned with the ethical values, regulations and standards of the Company, the applicable regulations in the markets and the existing best practices in the anti-bribery area.

Inditex employees who have been entrusted with powers to select third parties, shall ensure that these latter have in place controls aimed at duly detecting, preventing and managing bribery risks in respect of the transactions, projects or activities subject to their business or contractual relationship with Inditex.

### 3.5 Notice of violations

Notice of any violation of the Policy, as well as of any doubt that may arise regarding its enforcement or construction, shall be given to Inditex's Committee of Ethics through its Whistle Blowing Channel by any of the following means:

- By ordinary post addressed to: *Avenida de la Diputación, Edificio Inditex, 15142 Arteixo, A Coruña* (Spain), for the attention of the Committee of Ethics
- By e-mail addressed to: [comitedeetica@inditex.com](mailto:comitedeetica@inditex.com)
- By fax sent to: +34 981 18 62 11

The Committee of Ethics may act of its own motion or at the request of any employee, manufacturer, supplier, or third party with a direct relationship and a lawful business or

professional interest, further to a report made in good faith. At any rate, the information conveyed by this channel to the Committee of Ethics is confidential, as is the identity of the whistleblowers who act in good faith. Inditex will not retaliate against them.

### **3.6 Monitoring of the Policy**

The General Counsel's Office - Code Compliance Office shall be charged with monitoring this Policy.

Monitoring of the Policy shall include: (i) its implementation; (ii) the reporting procedures of irregular activities, (iii) the periodic reviews of the effectiveness of training provided to employees on these issues, (iv) the certificates, reports and records of attempted bribery, and, (v) the review of conformity of Inditex's Integrity Policies to prevailing laws in force.

In this respect, the General Counsel's Office - Code Compliance Office shall investigate, where appropriate, the allegations or reports received regarding corruption proceedings involving Inditex or which are, somehow, connected with the Company, leaving documentary evidence thereof.

As a result of such investigations, Inditex shall determine the course of action to take, including any eventual disciplinary measure against employees, the termination of trade relations with third parties, and/or the report thereof to the relevant authorities.

The General Counsel's Office - Code Compliance Office shall disclose to the Committee of Ethics the results of such investigations and the implementation and continuous improvement of this Policy.

Regulatory compliance and compliance with ethical standards binds the entire Company and represents one of its strategic goals. Therefore, all Inditex's entire workforce shall be familiar with this Policy and respect its contents. Likewise, with regard to third parties with whom Inditex is engaged in any business relationship, they are expected to behave in line with this Policy.

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