

INDITEX

Inditex' shareholder, Fundación Finanzas Éticas, raised a number of questions related to various topics. In the first set of questions, they have expressed their concerns and interest in learning more about Inditex's air transport emissions, as well as the disclosure of cargo volumes and the use of sustainable aviation fuel.

In relation to the first set of questions submitted by Fundación Finanzas Éticas, we can confirm our commitment to reducing its total emissions by 53% by 2030, including not only our own operations but also our complete value chain as a previous milestone in the roadmap through the ultimate goal of achieving net-zero emissions by 2040. To this end, the Group has implemented multiple measures, outlined in its Climate Transition Plan, available on the Company's corporate website.

Inditex operates an innovative and unique business model, based on efficiency and committed to meeting customers' demands in a more responsible manner. To ensure a swift and efficient response to the market demands, a significant portion of garments is produced in proximity to the Group's logistics centres in Europe.

Sea and road transport are by far the most significant methods used to ship our garments. Air transport is reserved solely for certain operations on intercontinental routes, where other options are not efficient.

Currently, Inditex's transport sustainability strategy is based on various lines of action: fleet improvements, flow reviews, and increased optimization. Specifically, in relation to air transport, a combination of lines of action are implemented:

- a) investing in more efficient fleets,
- b) Implementing the use of alternative aviation fuels, such as Sustainable Aviation Fuel (SAF),
- c) reviewing supply and distribution flows to make them more efficient by reducing the distances travelled,
- d) continuing to optimize packaging and occupancy levels by maximizing space use and consolidating loads.

As regards to reporting matters, each year Inditex calculates and publishes its corporate carbon footprint according to the most reputable international measurement methodologies, such as the GHG Protocol. This Protocol is one of the most widely used and renowned frameworks for emissions accounting and reporting. It defines different categories for emissions accounting and develops detailed guidance to measure each of them. The information on emissions, available in the Company's Sustainability Report, is externally verified by an independent third party based on the ISAE 3410 standard. Furthermore, the Sustainability Report includes a Methodological Annex where the methodologies applied for calculation of all sustainability metrics is explained and, in particular for the carbon footprint, it includes detailed information on the methodology, emissions factors and sources of information used for all categories of emissions.

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More comprehensive information on issues related to this topic is available in Inditex 2024 Sustainability Report and, as mentioned before, in the Climate Transition Plan, both published on the company's corporate website.

Fundación Finanzas Éticas has also raised a number of questions regarding measures taken by Inditex in order to protect textile workers in Bangladesh following the protests that took place in 2023.

To that regard please note that we have informed CCC on many occasions that any of our suppliers in Bangladesh who had filed claims related to those protests have made formal requests to the authorities to withdraw the charges. Inditex firmly believes in the importance of establishing a fair and negotiated minimum wage that reflects the real needs of workers and their families. As established by the International Labor Organization (ILO), the Group strongly believes in and supports tripartite social dialogue and collective bargaining mechanisms for setting and adjusting wages, as well as respect for workers' rights, particularly the right to freedom of association.

In this sense, the Company has been and continues to collaborate with key stakeholders in Bangladesh to promote tripartite social dialogue.

Finally, the Fundación Finanzas Éticas also asked how Inditex intends to align its business model with its sustainability goals.

In relation to the last set of questions, Inditex business model is strongly oriented to precisely adjust our offer of products to the real demand. That means always identifying customers' demands and needs, responding to them at the right time in an increasingly sustainable way. It is about being efficient and precise in the timing and manner the company's proposal is delivered to customers. Thanks to the flexibility of this model, the low level of purchases at the beginning of the season, and the integrated store and online system, Inditex is able to be more efficient and adjust production to customers' demand. In this regard, surpluses are less than 1% of the total items sold.

Inditex goal is to continue moving towards a circular model—in which waste can become a new resource—and towards net-zero emissions. Thus, the Group relies on a sustainability strategy that, in addition to contributing to the transformation of the textile industry, seeks to respond to the demands of civil society, customers, and the company's people, while also meeting the requirements of investors and the growing regulations on sustainability.

This strategy is fully embedded in the business model and is articulated through various initiatives and programs that allow progress towards the Group's sustainability goals. This is not something new, considering that Inditex was the first Spanish company to sign the United Nations Global Compact more than 20 years ago. This has meant that, for more than two decades, decision-making processes, procedures, and projects have been adapted to be aware of their sustainability impact and to be aligned with the fulfilment of the commitments that the Group has made over the years.