
ANNUAL REPORT OF THE AUDIT AND COMPLIANCE COMMITTEE ON THE INDEPENDENCE OF EXTERNAL AUDITORS OF THE COMPANY AND THE RENDERING OF NON-AUDIT SERVICES

This report on the independence of auditors of Industria de Diseño Textil, S.A. (“**Inditex**” or the “**Company**”) is drafted prior to the issue of the statutory auditor’s report, pursuant to the provisions of section 529^{quaterdecies}(4)(f) of the Spanish Companies Act (LSC), section 15.2.(f) of the Board of Directors’ Regulations and sections 5.3(f) and 7(b)(vii) of the Audit and Compliance Committee’s Regulations. This report also addresses the rendering by the auditor of non-audit services, considered both individually and as a whole, and regarding the independence system or the regulations on auditing.

Prior to issuing this report, the Audit and Compliance Committee has received from Deloitte, S.L. (“**Deloitte**”) a written confirmation of its independence vis-à-vis Inditex and any parties related to Inditex, either directly or indirectly, as well as a breakdown of the non-audit services of any kind rendered to the Inditex Group by Deloitte or by any person, either natural or legal, related to the audit firm, pursuant to the provisions of the applicable regulations on statutory audit, as well as an individualized analysis of potential threats and safeguards. Such written confirmation is attached hereto as an Appendix¹.

Deloitte was appointed as statutory auditor of the Inditex Group in FY2012 for an initial 3-year term. Upon expiry of such initial term, Deloitte was subsequently re-elected as statutory auditor of the Inditex Group for successive one-year periods. Therefore, FY2021 marks its 10th and last year as statutory auditor of the Inditex Group.

Mr Cléber Beretta Custodio, Deloitte’s partner will sign the audit of the financial statements of the Company and of the Inditex Group for financial year 2021, this being his 2nd year as lead auditor-in-charge, having replaced Mr Germán de la Fuente Escamilla.

Throughout 2021 Deloitte and the remaining firms of its international network and its associated firms, have rendered Inditex and its related companies, additional non-audit services, which are broken down in the Appendix attached hereto. For the purposes of ensuring the auditors’ independence, before engaging the above referred services from Deloitte, it has been established that they are not incompatible with their audit task and that under no circumstance do they compromise their independence, pursuant to the restrictions set forth in the regulations governing statutory audits. Additionally, a written confirmation from Deloitte was received, stating that no circumstances had been identified which may represent, either individually or as a whole, a significant threat to their independence for such purposes.

The engagement of non-audit services has taken place pursuant to Inditex’s internal regulations, namely, to the “*Procedure to Contract an Auditor for the Provision of Additional Non-audit Services*” (the “**Procedure**”), approved by the Audit and Compliance Committee on 18 July 2016. Pursuant to the provisions of sections 4.1 and 5 thereof, the contracts

¹ Such written confirmation includes the fees charged to Inditex and Pontegadea Inversiones, S.L. as parent company

executed in 2021 with Deloitte or with the natural or legal persons related thereto, covering the provision of non-audit services, have been either approved by the Audit and Compliance Committee before execution or, in exceptional cases, later ratified by such committee.

The table below shows the fees charged by Deloitte and the remaining firms of its international network and its associated firms, broken down by type of service rendered:

Items	Fees (€ million)
Audit Services	7.3
Other Assurance services	0.8
Total Audit and Related services	8.1
Tax services	-
Other Services	0.2
Total Professional Services	8.3

Fees for statutory audit and other related services, amounting to €8.1 million were fixed prior to commencement of the service, and they have not been influenced or determined by other services rendered by the auditor.

Fees paid to Deloitte for non-audit services and other related services amount to €200,000, which represents 2.58% of aggregate fees. Pursuant to the provisions of Regulation (EU) No 537/2014 of the European Parliament and of the Council, of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities, and repealing Commission Decision 2005/909/EC (“**Regulation (EU) No 537/2014**”), fees for non-audit services are not above 70% of the average fees paid to the statutory auditor during the last 3 financial years for audit services rendered to the Company and the remaining entities of the Group.

Additionally, aggregate fees paid to Deloitte and its international network of firms for the provision of statutory audit services and other types of services in 2021 do not represent a significant percentage in the aggregate annual revenue of the statutory auditors and its network, considering the average fees of the last 3 years.

On the other hand, the Group carried out in FY2020 a procedure to select a new auditor for the review of the individual and consolidated annual accounts and directors’ report of the company and its Group for FY2022, 2023 and 2024, as the year ended 31 January 2021 (FY2021) would be the last year to be audited by Deloitte. On that date, the maximum duration of the audit engagement would have expired. An audit tender was then initiated, and audit firms invited were requested, through the relevant Request for Proposal, to confirm in writing that they were not affected by any disqualifying circumstance, under applicable regulations, preventing them to be appointed as statutory auditor of the Group or any of the companies subject to audit. All the invited firms sent such

written representation. Independence was one of the yardsticks considered in the selection process to assess the different proposals.

Contemporaneously to the commencement of the auditor selection process, a thorough review of all the services rendered by audit firms invited to tender took place, to ensure that the provisions set out in section 5 *et seq.* of EU Regulation no. (UE) 537/2014 were met

Further to the approval by the board of directors in the meeting held on 14 December 2020 of the motion on the appointment of Ernst & Young, S.L. as new statutory auditors, to be subsequently submitted to shareholders at the 2022 Annual General Meetings, any and all non-audit services rendered by such audit firm as of FY2021, last year of Deloitte's tenure as statutory auditor, have been subject to approval by the Audit and Compliance Committee.

Having reviewed the written confirmation issued by the auditor about its independence and the appropriateness of the additional non-audit services rendered, and having not found any evidence which may cast doubt on the independence of Deloitte, the Audit and Compliance Committee has unanimously resolved to issue a favourable opinion regarding the independence of Deloitte as statutory auditor of the Inditex Group and its individual companies.

Done in Arteixo (A Coruña), on 14 March 2022

APPENDIX

Written confirmation of independence

Independence confirmation Letter

14 March 2022

Industria de Diseño Textil, S.A.
Edificio Inditex, Avenida de la Diputación s/n
15142 Arteixo (A Coruña)

To the Audit and Compliance Committee of Industria de Diseño Textil, S.A.

Dear Sirs/Madams:

In regard to our audit of the consolidated and separate financial statements of Industria de Diseño Textil, S.A. and affiliates (hereinafter "Grupo Inditex") of the year ended as of 31 January 2022, we confirm that to the best of our knowledge and belief:

1. The team in charge of the audit engagement and Deloitte, S.L., with the extensions applicable to them, have complied with the independence requirements applicable under the provisions of the Consolidated Spanish Audit Law, issued by Legislative Royal Decree 22/2015, of July 20, its regulatory development and the EU Regulation 537/2014, of April 16.
2. The fees charged to Industria de Diseño Textil, S.A. and to their associated entities, disclosed by concept, both for audit and non-audit services rendered in the year ended 31 January 2022 by Deloitte and its network, in order for you to assess our fees within the framework of our independence, are:

Concept	Fees in Millions of Euros
Audit services	7,35
Other attest services	0,85
Total Audit services and related	8,20
Other services	0,21
Total professional services	8,41

"Other attest services" and "Other services" are detailed in Annex 1.

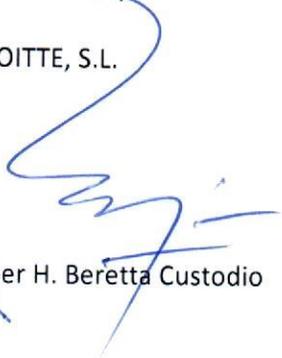
3. We have designed and implemented internal policies and procedures to provide reasonable assurance regarding the maintenance of our independence. These procedures include those aimed at identifying and assessing threats that may arise from circumstances related to the audited entities, including those that may give rise to incompatibility and, where appropriate, implementing the necessary safeguards, which can be found in Deloitte's Transparency Report available at

www.deloitte.es, and in relation to the audit indicated, and for the period covered by the financial statements and up to the issuance of this letter, no circumstances have been identified, which individually or in the aggregate, could lead a significant threat to our independence and which, therefore, would require the application of safeguard measures or which could lead incompatibility.

This letter is for the exclusive information of and use by the Grupo Inditex Audit and Compliance Committee for the aforementioned purpose and, therefore, it may not be used by third parties or for any purposes other than that mentioned above.

Yours faithfully

DELOITTE, S.L.



Cleber H. Beretta Custodio

ANNEX I – INDIVIDUAL DETAIL

In relation to point 2 of the confirmation of independence, information on additional services of any kind provided and their corresponding fees is detailed below:

Other attest services

Number of services	Description	Fees in Millions of Euro
2	Attest report on non-financial information	0,09
11	Agreed-upon procedures related to government grants	0,16
22	Agreed-upon procedures related to green dot reports	0,05
86	Agreed-upon procedures related to "Sales in stores information" prepared by the management to comply with leases contracts regulations.	0,23
10	Agreed-upon procedures related to merger plans	0,06
36	Agreed-upon procedures related to tax matters	0,15
4	Agreed-upon procedures related to royalties	0,01
1	Agreed-upon procedures related to the tax-purposes consolidation	0,02
19	Other agreed-upon procedures non-related with green dot, covenants, government grants, merger plans sales or royalties	0,08
Total		0,85

Other services

Number of services	Description	Fees in Millions of Euro
2	Services related with financial information IT which do not include design or implementation	0,03
1	Consultancy services related with the definition of new analytical model	0,15
1	Attest on ICFR	0,01
21	Prepared and audited FS translation services	0,02
Total		0,21

14 March 2022

Industria de Diseño Textil, S.A.
Edificio Inditex. Avenida de la Diputación s/n
15142 Arteixo (A Coruña)

To the Audit and Compliance Committee of Industria de Diseño Textil, S.A.

Dear Sirs/Madams:

For the purposes of complying with the provisions of articles 80 and 81 of Royal Decree 2/2021, of 12 January, approving the Regulations implementing Law 22/2015, of 20 July, on Auditing, (RLAC), we summarise below, by type, those situations or relationships which, in our opinion, may have led a threat to independence in relation to our audit of the consolidated and separate financial statements of Industria de Diseño Textil, S. A. and Subsidiaries (hereinafter, "Inditex Group") at 31 January 2022:

Type of situation	Number
Non-audit professional services	From 1 to 63
Other different business relations	From 64 to 65
Fees	66

Fees for situations arising from non-audit services are as follows (in euros):

Number	Fees	Number	Fees	Number	Fees	Number	Fees
1	242.175	18	24.570	35	60.600	52	10.000
2	210.861	19	25.981	36	13.918	53	5.000
3	150.000	20	25.398	37	5.150	54	14.000
4	139.076	21	22.208	38	10.558	55	120.000
5	90.000	22	6.208	39	3.218	56	80.000
6	75.000	23	3.605	40	3.000	57	15.000
7	5.000	24	4.706	41	10.600	58	1.980
8	21.963	25	30.000	42	19.639	59	4.200
9	3.908	26	15.000	43	7.190	60	24.479
10	16.866	27	7.000	44	23.149	61	3.605
11	2.152	28	9.000	45	19.500	62	50.655
12	4.500	29	1.572	46	26.200	63	15.000
13	3.250	30	28.000	47	15.000		
14	27.000	31	600	48	3.750		
15	27.019	32	8.389	49	15.600		
16	18.000	33	28.978	50	38.000		
17	3.605	34	70.000	51	8.600		

Together with this letter we provide you with a ZIP file where you will find the individualised threat and safeguards analyses we have carried out for each case, which respond, as applicable, to the following detailed information required by article 81 of the RLAC:

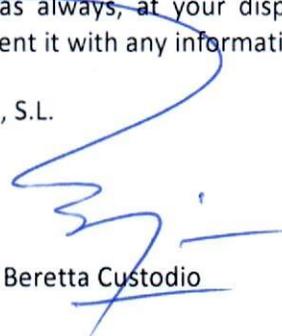
- a) The nature and context in which it occurs.
- b) The status, position or influence on whom it occurs.
- c) The economic interests derived or remuneration involved.
- d) The assessment of the significance of the threat to independence.
- e) The existence of measures that eliminate or reduce such threats to a level that does not compromise their independence.

This same article indicates that we must make this communication for examination by the Commission, a complementary process to the one you have for the approval of non-audit services in accordance with article 5.4 of the (EU) Regulation which, in turn, is included in article 529 quaterdecis of the Capital Companies Act in section 4, letter e). This examination on your part entails a reinforcement of the internal controls in this area, which may also be included, where appropriate, in their response to any request regarding the independence of their auditor that may be made by the National Securities Market Commission, which has supervisory powers over the Audit Committees.

Finally, we would like to indicate that we have performed the calculation required by Article 4.2 of the (EU) Regulation to analyse whether the ratio between the fees for non-audit services provided by the audit firm (Deloitte S.L.), other than those required by national or European Union legislation, and the average of the fees paid in the last three consecutive financial years for the statutory audit(s) of the audited entity and, where applicable, of its parent company, of the companies it controls and of the consolidated financial statements of that group of companies. Having performed the relevant calculation, we have verified that the 70% threshold is not reached and Deloitte S.L. does not fall within the prohibition set out in this article and, therefore, no threat arises. The threat derived from the proportion of fees at the level of the Deloitte network is shown in annex analysis number 66.

We are, as always, at your disposal to clarify any doubts that this communication may raise or to complement it with any information you may require.

DELOITTE, S.L.



Cleber H. Beretta Custodio

Annex: File ZIP – Threat and safeguards analysis Grupo Inditex audit 2021