

# INDITEX



## Criminal Risk Prevention

Policy

Amended by the board of directors on 12 March 2024

## About this Policy

Reference	-
Name	Criminal Risk Prevention Policy
Overview	The Policy implements the Codes of Conduct and sets out the overarching principles that underpin the Group's commitment to preventing, detecting and, if appropriate, managing criminal risks. It provides the standards of conduct that anyone at Inditex must observe at the workplace to prevent criminal risks.
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## 1. Purpose. Laws and construction

This Criminal Risk Prevention Policy (the “**Policy**”) implements the Inditex Group’s Codes of Conduct and sets out the overarching principles that underpin the Group’s commitment to preventing, detecting and, if appropriate, managing criminal risks that the Group is potentially exposed to on account of its business activity, in accordance with applicable laws in Spain. It further provides the standards of conduct that anyone at Inditex, including the members of the Board of Directors, officers and representatives, must observe in the performance of their duties.

The Policy governs the Model of Criminal Risk Prevention (“**Model of Criminal Risk Prevention**” or “**Model**”) that seeks to prevent, mitigate and, if appropriate, manage such criminal risks that the Inditex Group may be potentially exposed to on account of its business activity, in accordance with applicable laws in Spain. The Model is part of the Global Compliance Model of the Inditex Group as defined below.

The enforcement of this Policy should not entail a violation of any applicable laws in the market where the Group operates.

## 2. Definitions

For the purposes of this Policy, the following terms are defined below:

### *Inditex Group’s Codes of Conduct*

The Code of Conduct and the Code of Conduct for Manufacturers and Suppliers.

### *Controls*

Measures to prevent, mitigate or detect risks set out in the Model of Criminal Risk Prevention.

### *Stakeholders*

Anyone at Inditex, customers, shareholders, manufacturers and suppliers, business partners, non-governmental organizations, local communities and the society at large.

### *Inditex Group (also, the “Group”)*

Group made up of Industria de Diseño Textil, S.A. (Inditex, S.A.) and the companies where Inditex holds, directly or indirectly, at least 50% of the share capital or the voting rights.

### *Inditex (also, the “Company”)*

Industria de Diseño Textil, S.A. (Inditex, S.A.), parent company of the Inditex Group (as defined above).

### *Model of Criminal Risk Prevention (also, the “Model”)*

An organizational, prevention and monitoring model aimed at identifying, preventing, mitigating and, if applicable, managing such criminal risks that the Inditex Group is potentially exposed to on account of its business activity, pursuant to applicable laws in Spain.

### *Global Compliance Model*

An organizational model that allows integrating the corporate ethical culture into the Group’s operations and relaying it to its stakeholders. The Model seeks to ensure compliance with applicable laws and observance of

the ethical commitments voluntarily undertaken by the Group outlined in the Codes of Conduct and the Internal Regulations, integrating the corporate ethical culture into every transaction of the Group on any of the markets where it operates and extending it to the stakeholders. The Global Compliance Model is governed by the Compliance Policy, the Compliance Management Procedure and the Internal Regulations Policy. The Model of Criminal Risk Prevention is part of the Global Compliance Model, in addition to other compliance models existing in the Group.

***Internal Regulations (also "Internal Rules")***

Set of regulations of the Group or any of its companies.

### **3. Scope of application**

Compliance with this Policy is mandatory for every Group company in Spain and for anyone at the Inditex Group in Spain, irrespective of their job title, position, department or geographic whereabouts. In particular, this Policy applies to every act and transaction carried out by the companies and individuals included in its scope of application, even if they take place outside the Spanish territory.

The Policy also applies to anyone rendering services or collaborating with the Inditex Group in Spain on any terms other than an employment relationship, such as board members or directors in any company of the Inditex Group, unpaid interns and anyone engaged or about to be engaged in a professional relationship with the Inditex Group.

### **4. Overarching principles**

The following overarching principles inform the Policy and the Model of Criminal Risk Prevention:

**/ Corporate ethical culture:**

- / The Inditex Group is strongly committed to implementing a solid corporate ethical culture based on compliance with the law and the ethical commitments voluntarily undertaken by the Group, as set out in its Codes of Conduct.
- / This corporate ethical culture is embedded in the way the Group operates and is central to the Global Model of Compliance of the Group, in particular in the field of criminal risk prevention, through the Model of Criminal Risk Prevention.
- / To implement this corporate ethical culture, the Group has in place a Compliance training plan applicable to anyone at Inditex and, as the case may be, to third parties, based upon their exposure to risk. The Group carries out communication and awareness-raising actions in this regard.

**/ Abiding by the law and compliance with the Internal Regulations**

- / The Inditex Group is firmly committed to criminal risk prevention and strongly condemns any practice which may be considered as an offence.
- / The Group relies on the Codes of Conduct and Internal Regulations which are binding on anyone at the Group and, as the case may be, on third parties. They set out the overarching principles and the standards of conduct as regards the behaviour expected by the Group.
- / Any violation of the Codes of Conduct and/or the Internal Regulations may entail different consequences for the Group and the parties involved, including, without limitation, employment-related

sanctions pursuant to applicable laws, or the end of contractual relations with third parties.

**/ Criminal Risk prevention:**

- The Inditex Group is committed to implementing its corporate ethical culture and preventing compliance risks, in particular criminal risks. To prevent the occurrence of criminal risks in accordance with the Spanish laws, the Inditex Group has implemented the Model of Criminal Risk Prevention.
- The Inditex Group identifies and assesses criminal risks to which it may be exposed on account of its business activity pursuant to applicable laws, and it reviews, updates and evaluates them on a regular basis and whenever circumstances so require. The Group also identifies and establishes appropriate controls and measures to prevent and mitigate criminal risks, which it reviews on a regular basis and whenever circumstances so require. In addition, it boosts action or remediation plans, where necessary.

**/ Ethics Line: protecting the reporter:**

- Pursuant to applicable laws, the Inditex Group relies on an Ethics Line which is managed by the Ethics Committee.
- The Inditex Group undertakes to handle the queries and concerns sent to the Ethics Committee via the Ethics Line, with the warranties and confidentiality provided in the Global Policy on the Internal Reporting Channels and the Ethics Line Procedure.

## **5. Model of Criminal Risk Prevention: core elements**

The Model of Criminal Risk Prevention is governed by this Policy and the Criminal Risk Prevention Procedure. In addition, the Model relies on a Scoping Risk and Control Matrix that sets out the criminal risks and risk events to which the Group is potentially exposed on account of its business activity, in addition to preventive and monitoring measures which include core elements and specific controls.

The Model is based on the following core elements:

- / Governance structure: as provided in section 8 below.
- / Criminal Risk Map: included in the Scoping Risk and Control Matrix. It sets out the criminal risks and the risk events the Inditex Group is potentially exposed to under applicable laws in Spain, pursuant to section 6 below, and the monitoring measures to prevent them.
- / Group's Codes of Conduct and Internal Regulations of the Group, binding on anyone at the Inditex Group pursuant to section 7 below. These Internal Rules set out the overarching principles and the standards of conduct that the Group expects from anyone at Inditex at the workplace, to meet the ethical commitments undertaken by the Group and comply with applicable laws in the markets where the Group operates. In particular, preventing the commission of any offence within the Group.
- / Compliance training plan
- / Due diligence
- / Policy and Procedure for Representatives and Attorneys
- / Ethics Line and disciplinary measure

The Model is periodically reviewed and subject to continuous assessment, to adapt it where circumstances so require, in the event of regulatory developments or changes to the Group's structure or organization. Included in the regular update and review process are risk identification and assessment, and the monitoring of prevention, detection and

control measures.

## 6. Criminal risks

Criminal risks covered in the Model are set out in [Appendix I](#) hereto.

## 7. Standards of conduct

The standards of conduct are outlined in the Codes of Conduct and the Internal Regulations, available on the corporate website ([www.inditex.com](http://www.inditex.com)) and set out in [Appendix II](#) hereto.

## 8. Roles and responsibilities

### 8.1 Anyone at Inditex

Those who form part of the Inditex Group are bound to comply with this Policy and with the Internal Regulations, to the extent applicable. Everyone is bound to attend such mandatory Compliance training sessions they are called to attend.

### 8.2 Board of Directors

It is incumbent on the board of directors to approve or amend the Policy, following a report from the Audit and Compliance Committee.

### 8.3 Audit and Compliance Committee

The duties of the Audit and Compliance Committee include:

- / Overseeing compliance with the Model of Criminal Risk Prevention of the Group, and the effectiveness of its controls.
- / Establishing and overseeing the mechanisms that would allow all the Group's employees, and other persons related with the Group, such as directors, shareholders, manufacturers, suppliers or third parties with a direct relationship and a lawful business or professional interest, to report, anonymously if appropriate, with all due guarantees of confidentiality, non-retaliation and observing at any rate the regulations on data protection, potentially relevant irregularities, including of a financial and/or accounting nature, or otherwise relating to the Company, including without limitation, any potential breach of the Code of Conduct and Responsible Practices, the Code of Conduct for Manufacturers and Suppliers and the remaining Internal Regulations of the Group.
- / Receiving from the Ethics Committee at least every six months and whenever the Audit and Compliance Committee may deem it fit for the appropriate exercise of its functions, information on (i) compliance with the Code of Conduct and Responsible Practices and with the Model of Criminal Risk Prevention of the Group; (ii) the reports received through the relevant channel of any potential breach of the Codes of Conduct of the Group, of any other internal regulation of the Group and of any potentially relevant irregularities, including of a financial and/or accounting nature, or otherwise relating to the Company, and generally (iii) the enforcement of the Compliance system of the Company, and to submit motions to the Board of Directors for the adoption of measures and policies seeking to improve compliance with such system and with the Model of Criminal Risk Prevention of the Group.

## 8.4 Ethics Committee

The duties of the Ethics Committee include:

- / Overseeing compliance with the Codes of Conduct, the Model of Criminal Risk Prevention, the Global Policy on the Internal Reporting Channels of the Inditex Group, the Ethics Line Procedure, and, where appropriate procedures or protocols of the remaining Internal Reporting Channels which make up the Internal Reporting System of the Inditex Group (jointly, the “**Conduct Regulations**”). For such purposes, the Ethics Committee shall ensure that such Conduct Regulations and any regular update thereof have been effectively disclosed, and that the required training has been given to every staff member of Inditex, its manufacturers and suppliers and to any third parties with which Inditex has or may have any direct business or professional relationship. Likewise, the Ethics Committee shall regularly review the Codes and the Model and propose to the Audit and Compliance Committee any amendments so that they are duly updated.
- / Overseeing compliance with the Model of Criminal Risk Prevention. To perform such duty, the Ethics Committee shall oversee the effectiveness of controls set forth in the Model of Criminal Risk Prevention and ensure that they conform to applicable regulations and business processes. For such purposes, the Ethics Committee will rely on the reports it may request from the departments in charge of launching and reviewing such controls, and, where appropriate, on any reports commissioned from external consultants. Likewise, the Ethics Committee shall regularly review the Codes and the Model and propose to the Audit and Compliance Committee any amendments so that they are duly updated.
- / Overseeing the Ethics Line and the remaining Internal Reporting Channels comprising the Internal Reporting System of the Inditex Group pursuant to the provisions of the Regulations of the Ethics Committee.
- / Receiving any written instruments regarding the enforcement of the Conduct Regulations and submitting them, where appropriate, to the relevant body or department of the Inditex Group charged with dealing with such instruments and/or proposing a settlement for them.
- / Clearing the doubts which may arise regarding the enforcement of the Conduct Regulations and proposing to the Board of Directors, following a report of the Audit and Compliance Committee, any clarifications and implementation that the enforcement of the Conduct Regulations might require.
- / Boosting training plans for Inditex’s staff regarding Conduct Regulations and the operation of the Internal Reporting Channels.

## 8.5 General Counsel’s Office – Compliance Office

The duties of the General Counsel’s Office-Compliance Office include:

- / The effective implementation of the Policy.
- / Planning and managing training and awareness-raising in the field of this Policy and criminal risk prevention.
- / The operating management of the Model of Criminal Risk Prevention, including driving and coordinating its review, update and enhancement, as the case may be.
- / Coordinating the identification, review and assessment of criminal risks, and the identification and monitoring of preventive measures included in the Model of Criminal Risk Prevention.
- / Driving, coordinating and following up on the action or remediation plans.



- / Regularly briefing the Ethics Committee and, if appropriate, the Audit and Compliance Committee on the effectiveness of the Model of Criminal Risk Prevention and the outcome of the oversight of compliance therewith, including, serious breaches, if any or material incidents detected, and the action or remediation plan.

## 8.6 Internal Audit

According to the Internal Audit Charter and its annual activities plan, Internal Audit can carry out compliance audits with regard to Internal Regulations.

## 9. Ethics Line: Concerns. Clearing up doubts or queries

Anyone at the Inditex Group may address their doubts or questions about the Policy to the General Counsel's Office-Compliance Office or the Ethics Line.

The Ethics Line is the preferred and confidential channel to receive, investigate and handle through to completion concerns relating to breaches of the Policy and criminal risks. As an exception, where a specific ethics line is in place, the concern shall be sent to this line.

Every concern or report received that fall within the scope of application of the Policy will be investigated by the Company.

The Ethics Line can be accessed via the corporate intranet (INET) and the corporate website ([www.inditex.com](http://www.inditex.com)), or via the communication channels that can be set up pursuant to the Ethics Line Procedure or, as the case may be, the local or specific ethics lines.

In addition, anyone can send a report or concern to the General Counsel's Office-Compliance Office within the scope of application of the Policy.

### Ethics Line management. Procedure

The Ethics Line is managed by the Ethics Committee, responsible for handling and managing through to completion reports within the scope of application of the Policy, except where pursuant to applicable local laws, a local body has been set up to handle them.

Reports shall be handled in accordance with the Group's internal regulations, in particular, the Global Policy on the Internal Reporting Channels of the Inditex Group and the Ethics Line Procedure, both of which are available on INET and on the corporate website ([www.inditex.com](http://www.inditex.com)).

## 10. Violation of the Policy

Violation of this Policy may lead to serious consequences for the Inditex Group and/or anyone involved, including the adoption of corrective or disciplinary measures pursuant to employment laws.

## **11. Training, awareness and sensitivity raising**

This Policy is available to anyone at Inditex on the Group's intranet (INET) and on the corporate website ([www.inditex.com](http://www.inditex.com)).

The General Counsel's Office – Compliance Office will implement the appropriate communication and awareness-raising actions to ensure that the Policy is duly understood and implemented.

## **12. Oversight and monitoring. Audit**

The Company shall be subject to regular reviews and monitoring, including audits carried out by the Internal Audit Department to assess compliance with the Policy.

## **13. Update and review**

The Policy shall be reviewed and updated, where necessary, at the behest of the Compliance Function, to encompass regulatory or organisational changes within the Group or best practices in the field.

## Appendix I – Criminal Risks

Criminal risks covered in the Model are set out below:

- / Trafficking in human organs
- / Offences against moral integrity
- / Concealment of the corpse
- / Human trafficking
- / Sexual harassment
- / Prostitution, sexual exploitation and corruption of minors
- / Discovery and revelation of secrets
- / Fraud
- / Concealment of assets
- / Criminal acts of bankruptcy
- / Computer damage
- / Intellectual and industrial property-related offences
- / Revelation of business secrets
- / Offences against consumers' rights
- / Offences related to the market
- / Public corruption
- / Bribery
- / Influence peddling
- / Embezzlement
- / Illegal financing of political parties
- / Money laundering
- / Terrorist organizations and groups
- / Terrorism
- / Offences against the Treasury and the Social Security
- / Offences against foreign citizens' rights
- / Organization of the territory and town planning
- / Natural resources and the environment
- / Against animals
- / Offences related to ionizing radiations
- / Risk caused by explosives and other such agents
- / Offences against public health
- / Currency counterfeiting
- / Counterfeit of credit or debit cards or traveller's cheques
- / Hate and incitement of hatred
- / Smuggling
- / Offences against rights of workers

## Appendix II – Internal Regulations of the Group

Standards of conduct are covered in the following Internal Regulations:

- / Code of Conduct
- / Code of Conduct for Manufacturers and Suppliers
- / Global Policy on the Internal Reporting Channels of the Inditex Group
- / Ethics Line Procedure
- / Due Diligence Policy
- / Compliance Policy
- / Integrity Policies:
  - / Policy on Dealings with Public Officials
  - / Gifts & Invitations Policy
  - / Policy on Donations and Sponsorship
- / Conflicts of Interest Policy
- / Anti-money Laundering and Terrorist Financing Policy
- / Internal Regulations of Conduct in the Securities Markets
- / Policy on Communication and Contact with Shareholders, Institutional Investors and Proxy Advisors
- / Policy on Disclosure of Economic-Financial, Non-Financial and Corporate Information
- / Human Rights Policy
- / D&I Policy
- / Diversity of Board of Directors Membership and Director Selection Policy
- / Anti-Harassment Policy
- / Compliance Policy regarding Personal Data Protection and Privacy
- / Occupational Health and Safety Policy
- / Sustainability Policy
- / Community Investment Policy
- / Product Safety Policy (Safe to wear)
- / Product Safety Policy (Clear to wear)
- / Information Security Policy
- / Forest Product Policy
- / Tax Policy

## INDITEX