ANNUAL REPORT ON REMUNERATION OF DIRECTORS (ARR) **2024**

INDITEX

Issuer Identification

Year-end date:

31/01/2025

Tax Identification Number (CIF):

A-15075062

Company name:

Industria de Diseño Textil, S.A. (INDITEX,S.A.)

Registered office:

Avenida Diputación, Edificio Inditex, Arteixo (A Coruña)

About this Report

This Report (the "Report" or the "Annual Report on Remuneration of Directors") provides information on remuneration of directors for the period running from 1 February 2024 through 31 January 2025 (financial year 2024) and offers detailed information about the Directors' Remuneration Policy of INDUSTRIA DE DISEÑO TEXTIL, S.A. (INDITEX, S.A.), ("**Inditex**" or the "**Company**") applicable in financial year 2025.

This Report has been drawn up by the Remuneration Committee (the "Remuneration Committee" or the "Committee") pursuant to the provisions of section 541 of the Spanish Companies Act ("**LSC**" *(Spanish acronym*) or the "**Companies Act**"); Order EEC/461/2013 of 20 March, whereby the contents and structure of the annual corporate governance report, the annual report on remuneration, and of other information instruments of listed companies, savings banks and other entities which issue securities admitted to trading on official securities markets, are determined, as amended by Order ECC/2515/2013 of 26 December; Circular 3/2021 of 28 September issued by the National Securities Market Commission ("**CNMV**" (*Spanish acronym*)) amending Circular 4/2013 of 12 June, which provides the standard forms of the annual report on remuneration of directors of listed companies and of members of the board of directors or the control committees of savings banks and other entities that issue securities admitted to trading on official securities markets and section 30 of the Board of Directors' Regulations and section 6 of Inditex's Remuneration Committee's Regulations.

This Report is filed in free format, in accordance with the provisions of Circular 4/2013 (consolidated text); however, its content complies with the minimum requirements established in the regulations above and is accompanied by the standardised statistical appendix stipulated therein.

This Annual Report on Remuneration of Directors for financial year 2024 was approved by Inditex's Board of Directors on 11 March 2025, on the proposal of the Remuneration Committee, and following a favourable report from the Audit and Compliance Committee. As provided in section 541.4 LSC, this Report will be submitted to an advisory say-on-pay vote at the next Annual General Meeting as a separate agenda item.

A. Company remuneration policy for the current year

A.1.1. Current directors' remuneration policy for the current year.

Inditex's Directors' Remuneration Policy for financial years 2024, 2025 and 2026 was approved at the Annual General Meeting held on 11 July 2023 (the "**2023 AGM**") with 98.37% of votes for.

The aforementioned Remuneration Policy became effective on 1 February 2024 and applies for financial years 2024, 2025 and 2026 (the "**Remuneration Policy**").

A.1.1. a) Procedures and Company bodies involved in determining, approving and applying the remuneration policy and its terms and conditions.

The procedures and Company bodies involved in determining and approving the Remuneration Policy and its terms and conditions are described below:

1. General Meeting of Shareholders. Pursuant to section 219 and 529*septdecies* and *novodecies* LSC and article 31 of the Articles of Association, the General Meeting of Shareholders shall be responsible for the following functions:

- Approving the Directors' Remuneration Policy, at least every three years.
- Determining the maximum amount of the annual remuneration to be paid to all directors in their capacity as such.
- Approving remuneration systems that include the delivery of shares or stock options, or any share-based remuneration for directors.

In this line, the Board of Directors plans to submit for approval at the 2025 Annual General Meeting the following proposed resolutions as separate agenda items: (i) this Annual Report on Remuneration of Directors for the year ended 31 January 2025 (put to an advisory say-on-pay vote); and (ii) approval of a new cash and shares long-term incentive plan addressed to the management team, including the CEO and other Inditex Group employees.

2. Board of Directors. Pursuant to sections 249 and 249*bis* LSC, the Board of Directors shall have the following powers, which are non-delegable:

- Decisions relating to remuneration of directors within the scope of the Articles of Association and of the Remuneration Policy approved by the General Meeting of Shareholders.
- The approval of the contracts entered into with the executive directors including, without limitation, the remuneration items they may be entitled to for the performance of executive functions, including the potential severance pay as a result of early termination, and the amounts to be paid by the Company as insurance premiums or contributions to savings systems.

3. Remuneration Committee. Pursuant to the provisions of the Board of Directors' Regulations, the Remuneration Committee's Regulations and the Directors' Remuneration Policy, below is a summary of the duties the Committee is entrusted regarding the determination, enforcement, review and transparency of the Remuneration Policy:

a) Determination of the Remuneration Policy:

- To propose to the Board of Directors the Directors' Remuneration Policy as well as the regular review and update thereof.
- To propose to the Board of Directors the system and amount of the annual remuneration of directors, to be submitted to shareholders at the Annual General Meeting.
- To propose to the Board of Directors for approval, the individual remuneration of executive directors and the remaining basic terms and conditions of their contracts, including any potential severance pay or indemnity which may be payable in the event of termination of the contract by unilateral decision of the Company and the amounts to be paid by the Company as insurance premiums or contributions to savings schemes, pursuant to the provisions of the internal regulations of the Company and of the Directors' Remuneration Policy from time to time in force.

b) Enforcement of the Remuneration Policy:

- To approve at the beginning of each year the targets to which the annual variable remuneration of executive directors is tied and evaluate the achievement thereof at the end of the year. Further to such evaluation, the Remuneration Committee drafts a proposal on annual variable remuneration of executive directors that is submitted to the Board of Directors for approval.
- To approve the targets of each cycle of long-term variable remuneration for executive directors. The Remuneration Committee carries out an annual and an overall evaluation of the level of achievement reached for each target upon expiry of each cycle, considering the information provided by the Company, and proposes to the Board of Directors for approval, the levels of incentive associated to achievement, based upon the performance scales set, and extraordinary factors, as the case may be, which may have occurred during the performance period of the plan in question.

  The evaluation of targets and the level of achievement thereof to which annual and long-term variable remuneration is tied, is based upon the results provided by different areas and departments of the Company, pursuant to the terms of section A.1.6 below. Considering the foregoing, the Remuneration Committee drafts a proposal on annual variable remuneration of executive directors which is submitted to the Board of Directors for approval. In the proposal on variable remuneration, the Remuneration Committee also considers the quality of results in the long-term as well as any risk associated thereto.
- To propose to the Board of Directors the cancellation of payment or, where appropriate, the refund (clawback) of the variable items of the remuneration of executive directors based on results, when these items have been paid on the basis of information clearly shown later to be inaccurate, as well as, where appropriate, the filing claims or any other applicable measures.

c) Review of the Remuneration Policy:

- To regularly review the Directors' Remuneration Policy, including share-based remuneration systems and the application thereof, verifying that it is consistent with the specific circumstances of the Company, and aligned with its strategy, in the short, mid and long-term, and with market conditions, considering whether it contributes to building sustainable value, and to ensuring an appropriate enterprise risk management.

d) Transparency of the Remuneration Policy:

- To prepare and submit to the Board of Directors, for approval, the Annual Report on Remuneration of Directors, and to verify the information on the remuneration of directors provided in the corporate documents, the notes to the annual accounts and in the interim financial statements of the Company.

The Remuneration Committee meets at least three times a year and whenever it is deemed appropriate for its effectiveness, and in any case, each time the Board of Directors or its Chair requests the issuing of a report or the adoption of proposals within its purview.

The Board of Directors or its Chair will request information from the Remuneration Committee. Likewise, the Committee shall consider the suggestions made by the Chair, Board members, officers and/or shareholders of the Company. Moreover, the Remuneration Committee must meet once a year to prepare the information on the remuneration of directors, which the Board of Directors has to approve and include as part of its annual public documentation.

The Remuneration Committee shall report to the Board of Directors on the matters discussed and the decisions made, accounting for its proceedings and work done at the meeting that the Board of Directors holds immediately after each meeting of the Remuneration Committee. Additionally, a copy of all the minutes taken at the Committee's meetings shall be made available to all directors.

In accordance with its schedule for financial year 2025, the Remuneration Committee is expected to hold, at least three (3) meetings.

A.1.1. b) Consideration of comparable companies in order to establish the Company's Remuneration Policy.

The Remuneration Committee deems essential to regularly review the Directors' Remuneration Policy, in line with best practices on corporate governance endorsed by institutional investors and the recommendations of the main proxy advisors.

In financial year 2022, in the context of implementing the current organisational structure, the Remuneration Committee considered a number of **analyses into the external competitiveness of total remuneration**, with the support of an independent external advisor specialising in director remuneration, to propose appropriate levels of remuneration for both the Chair of the Board of Directors, without executive functions and the CEO for his functions as the only executive director.

As a result of the aforementioned analyses, a new remuneration package was shaped up for the CEO and the new position of the Chair without executive functions. Such conditions determined the amendments introduced to the previous Directors' Remuneration Policy for financial years 2021, 2022 and 2023, approved at the 2022 Annual General Meeting.

In particular, with regard to the remuneration of the (non-executive) Chair of the Board of Directors, market amounts and remuneration practices were analysed for the remuneration of board chairs without executive functions in the companies that make up the **main stock market indices** in **relevant European countries** (IBEX 35 in Spain, CAC40 in France, FTSE MIB in Italy, DAX40 in Germany, SMI 20 in Switzerland and FTSE 100 in the United Kingdom).

With regard to the remuneration of the CEO, several peer groups were considered, selected on the basis of sector, size and geographic spread criteria, in line with the analyses carried out in previous years for the Company's first executive. The **peer groups** considered are the following:

- STOXX Europe 50, comprising the 50 companies with the largest market capitalisation in Europe. This index is designed by STOXX Ltd.
- Large IBEX 35 companies comparable in size to Inditex (Iberdrola, Santander, Telefónica and BBVA).
- Dow Jones Retail Titans 30 Index, made up of the 30 leading companies of the retail sector. These companies are selected by Dow Jones based upon ranking by market capitalisation, revenue and net profit.

In financial year 2023, during the design and elaboration of the new Remuneration Policy, these analyses were updated, in particular, the findings for the STOXX Europe 50 group and the large IBEX 35 companies have been revised to verify that remuneration decisions agreed in financial year 2022 were still aligned with the market. The consistent approach in the new Remuneration Policy with respect to the previous one, was mainly determined by the confirmation of this alignment.

As part of the design process for the new long-term incentive plan, various analyses of market practices are also being conducted.

A.1.1. c) Information on external advisors.

To better perform its duties, the Remuneration Committee may request from the Board of Directors the engagement of legal, accounting, financial or other experts at the expense of the Company.

In this regard, in the current financial year 2025 until this date, the Remuneration Committee, in the exercise of its powers, has been advised by WTW, an independent consultant with experience in the field of directors' and senior executives' remuneration, both in the preparation of this Report and in the design and implementation of the long-term incentive plans.

A.1.1. d) Procedures set forth in the current directors' remuneration policy in order to apply temporary exceptions to the policy, conditions under which those exceptions can be used and components that may be subject to exceptions according to the policy.

The Remuneration Policy does not allow for the possibility of applying temporary exceptions.

A.1.2. a) Remuneration mix. Criteria and targets taken into consideration in their determination and to ensure an appropriate balance between fixed and variable remuneration items.

Remuneration of **directors in their position as such** is fully comprised of **fixed remuneration items.**

The **CEO's** total remuneration also includes a **fixed** element, a short-term or **annual variable** element **and** a **long-term** or multi-year variable element, **in cash and/or in shares**.

Pursuant to the Remuneration Policy, under a scenario of maximum achievement of targets, the **weight** of **variable** or at-risk remuneration **on total remuneration** (considered for these purposes as fixed remuneration, annual variable remuneration and long-term incentive annualised according to the share price at the beginning of each cycle) could represent **up to 75%** of the remuneration for the CEO, approximately.

The remuneration mix in the different remuneration scenarios based on the achievement of targets ensures that the fixed remuneration represents a significant part of total remuneration, for the purposes of preventing taking any unnecessary risks.

Variable remuneration items to reward the CEO, tied to the achievement of Group's targets, are **flexible** enough to allow their shaping to the extent that under certain circumstances, the possibility of not being paid any amount as variable remuneration exists; in such case, fixed remuneration would represent 100% of total remuneration. **Under no circumstances is variable remuneration guaranteed.**

A.1.2. b) Actions adopted to adapt the Remuneration Policy to the long-term targets, values and interests of the Company, and measures to guarantee that the long-term results of the company are taken into account in the Remuneration Policy.

In the design of the remuneration scheme, fixed and variable components are efficiently balanced, as indicated above. Specifically, pursuant to the Remuneration Policy, long-term or multi-year variable remuneration, on an annualised basis and for a maximum target achievement scenario, has a weight of 35% of total remuneration of the CEO (considering for these purposes the fixed, short-term variable and long-term variable remuneration annualised based on the share price at the beginning of each cycle).

Long-term variable remuneration plans are encompassed in a **multi-year framework** (of at least 3 years) to ensure that the evaluation process is based upon long-term results and that the underlying economic cycle of the Company and the achievement of strategic targets is considered therein.

Part of this long-term variable remuneration is **granted and released in shares**, based upon value creation, so that the interests of the CEO and officers are aligned with those of the shareholders. Specifically, in a scenario of maximum target achievement, close to 20% of the CEO's total variable remuneration would be released in shares (this value considers the share price at the start of each cycle; it does not take into account the potential change in share price during the performance period).

The CEO has undertaken to hold the net shares that he may receive as a result of any element of variable remuneration for a term of at least 3 years until he holds a number of shares equivalent to at least 2 times his fixed remuneration. In any case, once this shareholding requirement has been reached, the CEO must fulfil the lock-up obligations set out from time to time for shares released through incentive schemes.

In addition, in relation to the 2023-2027 Long-Term Incentive Plan (LTIP) approved at the 2023 AGM, the Board of Directors resolved, upon proposal of the Remuneration Committee, to reinforce the **lock-up obligation** for two (2) years following the release of shares, with this lock-up obligation surviving even after termination of the contractual relationship with the Company (if said period had not ended). However, the CEO may transfer the title to the shares **once the relationship has ended**, provided that he maintains in his shareholding, during the time remaining for complying with the aforementioned temporary limitation, an amount equivalent to the value of the incentive received in shares at the time of release.

All these measures strengthen the alignment of the CEO's interests with those of shareholders.

Payment of **variable remuneration** at Inditex, both annual and multi-year, is tied to the achievement of **sustainability targets**. These targets are aligned with the Group's sustainable strategy, wherein all stakeholders are considered, and allows rewarding its implementation. Namely, in financial year 2025 the **weight** of sustainability objectives on the CEO's aggregate variable remuneration is approximately **20%**.

A.1.2. c) Actions adopted relating to the remuneration system to reduce exposure to excessive risks and avoid conflicts of interest and clauses reducing the deferred remuneration or obliging the director to return remuneration received.

(i) Measures taken by the Company to reduce exposure to excessive risks

The measures taken by the Company to **reduce exposure to excessive risks** are the following:

- The CEO's total remuneration for the performance of executive functions comprises different remuneration items, mainly consisting of: (i) a fixed remuneration, (ii) a short-term (annual) variable remuneration, and (iii) a long-term (multi-year) variable remuneration. The **remuneration mix** in the different remuneration scenarios based on the achievement of targets, ensures that the fixed remuneration represents a significant part of aggregate remuneration, for the purposes of preventing taking any unnecessary risks.

- **No guaranteed variable** remunerations exist. Variable remuneration items are flexible enough to allow their shaping, to the extent that it is possible that no amount is paid in terms of variable remuneration.

(ii) Measures taken in respect of those categories of staff whose professional activities may have a relevant impact on the Company's risk profile.

The measures taken in respect of those **categories of staff** whose professional activities may have a **relevant impact on the Company's risk profile** are:

- Total remuneration of senior managers is comprised of the same remuneration elements and similar characteristics to those of the CEO, meaning that there are **no guaranteed variable** remunerations for them either.

- The Remuneration Committee is responsible for considering and reviewing the Directors' and senior managers' Remuneration Policy, in order to ensure that it is consistent with the Company's particular circumstances and aligned with its strategy and market conditions. Those professionals whose activity may have a relevant impact on the Company's risk profile are included in this group, due to their decision-making authority in management matters.

The Committee is also responsible for verifying that this Remuneration Policy is properly applied, and ensuring that the individual remuneration of each senior manager is proportionate to that of the other members of their group.

In addition, the Committee is tasked with conducting regular reviews of the terms and conditions of executive directors' and senior managers' contracts and ensuring that they are consistent with the remuneration policies in force.

- All **members** of the **Remuneration Committee also sit on** the **Audit and Compliance Committee**. This latter is responsible for overseeing enterprise risk management systems in respect of financial and non-financial risks. The presence of the same directors on both committees and the reporting to the Board of Directors by the Chairs of the Remuneration and the Audit and Compliance Committees on the main matters discussed at their respective meetings, ensures that risks associated to remuneration are considered in the course of the debates of the Remuneration Committee and of the Audit and Compliance Committee and in the proposals they submit to the Board of Directors, regarding both the determination and the evaluation of annual and multi-year incentives.
- Likewise, the **Remuneration** Committee and the **Sustainability Committee share two members**, one of them being the Chair of the Sustainability Committee. The Sustainability Committee is responsible, amongst other aspects, for overseeing and monitoring proposals in the field of sustainability, on social and environmental issues, on health and safety of the products that the Company places on the market, and the relations with the different stakeholders, and with following up on the sustainable strategy, evaluating the level of compliance with the same and, as the case may be, proposing recommendations to improve the Group's positioning in the field. Thus, the fact that the same directors sit on the above referred board committees allows to ensure: (i) that alignment with the Group's priorities in the field of sustainability and with those of its stakeholders is considered upon establishing and enforcing the Remuneration Policy and (ii) a comprehensive and appropriate monitoring for the assessment and determination of the level of achievement of the sustainability objectives to which the different variable items of remuneration are tied.

(iii) Measures taken by the Company to avoid potential conflicts of interest

With regard to the **measures** set to detect, determine and resolve any potential **conflict of interest**, conflict of interest scenarios are defined in section 34 of the Board of Directors' Regulations, which also provides the rules which govern such conflicts. Sections 33 and 35 to 37 thereof cover the obligation of non-competition, the use of corporate assets, the use of non-public information for private purposes and the taking advantage of business opportunities corresponding to the Company. Meanwhile, section 39 covers such specific issues that Directors must report to the Company.

Additionally, section 1 of the Board of Directors' Regulations provides that the rules of conduct for directors shall apply, insofar as they are compatible with their specific nature, to senior managers of the Company, namely, the following sections: 32 (duty of confidentiality); 34 (conflicts of interest), with regard to the duty to inform the Company; 35 (use of corporate assets); 36 (non-public information); 37 (business opportunities), and 38 (prohibition to make undue use of the office).

Moreover, with regard to significant shareholders, directors, senior managers and their related parties, section 40 of the Board of Directors' Regulations provides the rules applicable to "transactions with directors and significant shareholders". One of the duties assigned to the Audit and Compliance Committee consists of assessing and reporting on certain related party transactions. In light of this report, it is incumbent on the General Meeting of Shareholders, the Board of Directors or another body with delegated authority, as the case may be, to approve the transaction when appropriate.

Meanwhile, the Code of Conduct and the Conflicts of Interest Policy of the Group address how Inditex's employees must act when faced with a conflict of interest between their personal interests and those of the Company, as well as the situations which need to be reported, in particular, to the Ethics Committee.

(iv) Measures taken by the Company regarding the clauses on reduction or return of variable remuneration

With regard to the **clauses on reduction** of the deferred remuneration or that force directors to **return** remuneration received when such remuneration has been determined considering certain figures that have clearly been shown later to be inaccurate:

- The Remuneration Committee may propose to the Board of Directors the cancellation of payment or, where appropriate, the clawback of the variable items of the remuneration of the executive director based on results, when these items have been paid on the basis of information clearly shown later to be inaccurate. In such cases, the Committee may also propose the termination of the relationship with the relevant manager and the filing of the relevant claims, all the foregoing pursuant to the terms of section 6 of the Remuneration Committee's Regulations.

  In this regard, should (i) any event or circumstance occur that would result in the negative change or variation, in final terms, of the financial statements, results, economic data, performance data or otherwise, upon which the accrual and payment to the executive director of any amount in terms of variable remuneration would have been based, and, (ii) should such change or variation determine that, if they had become known at the date of accrual or payment, the executive director would not have received any amount, or, would have received a lesser amount than the one initially paid, the Remuneration Committee may propose to the Board of Directors that the Company claims the clawback of the full sum or of any excess paid (whether or not the executive director in question is still with the Company at the time of the claim).
- With regard to the in-flight long-term incentives (both cycles of the 2023-2027 LTIP), as well as any outstanding variable remuneration while the Remuneration Policy is in effect, the Company may cancel before payment and/or claim refund of the incentive previously paid, in full or in part, in the event that any of the following unforeseen circumstances would occur during (i) the period immediately before its vesting, or (ii) the 2 years following settlement of the incentive for the executive director's performance in each cycle, as the case may be:

  (i) losses in the Group (negative PBT) in the 2 years after the expiry of each cycle on account of management decisions made in the performance period of each cycle;

  (ii) material restatement of the Group's financial statements, when so considered by the external auditors, except where this is appropriate pursuant to a change to accounting standards;

  (iii) serious breach of the internal regulations on the part of the executive director, as proven by the Ethics Committee.

A.1.3. Amount and nature of fixed components that are due to be accrued during the year by directors in their capacity as such.

Pursuant to section *529septdecies* LSC, the directors' remuneration policy must determine the maximum amount of remuneration that may be paid each year by the Company to all directors in their capacity as such. Under the current Remuneration Policy, this maximum amount has been set at €3,380 thousand, in accordance with the current membership on the Board of Directors and its Committees.

Within the limit set by the Annual General Meeting, it is incumbent on the Board of Directors, upon proposal of the Remuneration Committee, to determine how and when such amounts are to be paid. At its meeting held on 11 March 2025 and on the proposal of the Remuneration Committee, the Board of Directors resolved to maintain in financial year 2025 the following amounts set out in the current Remuneration Policy (approved at the 2023 AGM with 98.37% of votes for):

- Each director will receive an annual fixed remuneration in the amount of €100,000 for their directorship.
- The non-executive Chair of the Board of Directors will receive an additional annual fixed remuneration of €900,000.
- The Deputy Chair or Deputy Chairs of the Board of Directors will receive an additional annual fixed remuneration of €80,000.
- Directors who in turn sit on the Audit and Compliance Committee, the Nomination Committee the Remuneration Committee and the Sustainability Committee (including the Chair of each Committee) will receive an additional annual fixed remuneration of €50,000; and
- The Chairs of the Audit and Compliance Committee, the Nomination Committee, the Remuneration Committee and the Sustainability Committee, will receive an additional annual fixed remuneration of €50,000.

Such amounts are fully independent and compatible with each other. They are fully paid in cash.

These items and amounts have remained unchanged since they were approved at the Annual General Meeting held on 19 July 2011 (with 99.59% of votes for), except for the fixed remuneration established for the Chair of the Board of Directors, as a new position without executive functions created in financial year 2022, following the full separation of the positions of Chair of the Board of Directors and CEO of the Company. This allocation also remains unchanged in 2025.

Except for the CEO's remuneration for the performance of executive functions, the amounts shown above represent the only remuneration paid to directors of the Company for membership on the Board of Directors of Inditex or any Group company. No attendance fees are paid to attend board and committees' meetings, nor is there any remuneration in the form of profit-sharing or bonuses, or remuneration systems or pension plans incorporating variable remuneration, or severance pays for the termination of their relationship with the Company or any other items determined for the performance of executive functions. The remuneration of the Chair of the Board of Directors will not include either any other remuneration and/or compensation item in addition to the above.

The foregoing is notwithstanding the refund to the directors of any reasonable travelling and accommodation fees incurred upon attending the meetings of the Board of Directors or of the Committees where they sit.

Inditex has also taken out a D&O liability policy for directors, officers and staff performing similar duties in the Company.

A.1.4. Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors.

Pursuant to the provisions of the current Remuneration Policy, the CEO's fixed remuneration for financial year 2025 amounts to €2,500 thousand, remaining unchanged with respect to financial year 2024.

A.1.5. Amount and nature of any component of remuneration in kind that will accrue during the year.

No remunerations in kind exist other than the release of shares referred to in the following section regarding variable components of remuneration.

A.1.6. Amount and nature of variable components, differentiating between those established in the short and long terms. Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration for the current year, explaining the extent to which these parameters are related to performance, both of the director and of the company, and to its risk profile, and the methodology, necessary period and techniques envisaged to be able to determine the effective degree of compliance, at the end of the year, with the parameters used in the design of the variable remuneration, explaining the criteria and factors applied in regard to the time required and methods of verifying that the performance or any other conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.

Monetary terms of the different variable components according to the degree of fulfilment of the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.

With regard to directors in their capacity as such, including the Chair of the Board of Directors, the fixed remuneration items referred to above are the only remuneration paid to them for membership on the Board of Directors of Inditex. There is no remuneration under a profit-sharing scheme, nor any remuneration systems or schemes covering a variable remuneration.

The variable items of the **CEO'**s remuneration for the performance of his senior management functions, as set out in the Remuneration Policy approved at the 2023 AGM, are as follows:

- Short-term or annual variable remuneration.
- Long-term or multi-year variable remuneration.

Below is a description of the main features of each of these components:

- Short-term or annual variable remuneration:

Annual variable remuneration is tied to the achievement of annual quantitative and qualitative targets, specific, pre-established and quantifiable, aligned with the interest of the Company and consistent with the medium to long-term strategy.

Financial and business targets linked to the Company management represent at least 60% of the aggregate incentive. Non-financial metrics represent at least 30% of the aggregate incentive.

A performance scale is associated, when reasonably possible, to targets. Such scale, set at the beginning of each financial year, includes a minimum threshold below which no incentive is paid, a level of achievement on target, which corresponds to the standard level of achievement of targets, and a maximum level of achievement, above which the incentive is not increased. Each metric is associated a specific performance scale, determined and calibrated in accordance with the variability of each and the target's level of requirement. In this regard, scales may have different slopes (i.e. relationship between level of achievement and level of payment). Additionally, the scale may include different payout levels between minimum and on target level, and between on target and maximum level of achievement regarding the same target.

The Board of Directors, upon the Remuneration Committee's proposal, is responsible for approving the targets at the beginning of each financial year and evaluating their achievement at year end. This evaluation is done based upon the data and the results provided by the Financial Division, the General Counsel's Office and the Sustainability Department, all of which are first reviewed by the Audit and Compliance Committee and the Sustainability Committee, as appropriate. The Board of Directors is responsible for the annual assessment of the CEO's performance, following a report from the Nomination Committee.

Further to such review, the Remuneration Committee draws up a proposal on annual variable remuneration which is submitted to the Board of Directors for approval. In this proposal, the Remuneration Committee also considers the quality of results in the long-term as well as any associated risk.

For the purposes of ensuring that the annual variable remuneration is effectively aligned with the Company performance and the CEO's individual performance, any positive or negative economic effects arising from any extraordinary events which might introduce distortions into the results of the evaluation, may be removed upon determining the level of achievement of the financial targets.

In accordance with the Remuneration Policy, the **target amount** of the CEO's **annual variable remuneration**, i.e., the one which corresponds to a level of achievement of the objectives on target, shall be equivalent to **120% of the fixed remuneration** for the performance of senior management functions. In case of **overachievement** of the pre-established targets, it could reach a maximum of **125% of the annual target variable remuneration** (150% of the fixed remuneration for the performance of senior management duties, i.e. €3,750 thousand).

The terms of the annual variable remuneration system for the CEO, including the structure, maximum levels of remuneration, targets established and the weight of each of them, are reviewed every year by the Remuneration Committee, considering the Company's strategy, business needs and situation, and the recommendations and best practices in the market in the field of remuneration. Such terms are submitted to the Board of Directors for approval.

Specifically, the Board of Directors has resolved at its meeting held on 11 March 2025, on the proposal of the Remuneration Committee, that the annual variable remuneration for the CEO in financial year 2025 will be determined in accordance with the following criteria:

Weighting	Target	Performance criteria
70%	Net sales (35%) and contribution margin (35%)	The same criteria established for senior managers according to the budget of the Company are applied.
15%	CEO's individual performance	Assessment by the Board of Directors, on the proposal of the Nomination Committee.
	Strategic development of the Company	Drive the initiatives related to advancing the four strategic priorities, such as improving the fashion proposal, enhancing the customer experience, increasing the focus on sustainability and preserving the talent and commitment of our people.
15%	Progress in the implementation of the strategy towards global sustainability at Inditex, measured against the following indicators:	(i) Degree of progress in adoption of recycled fibres. (ii) Degree of progress in the supply chain transformation plan (water, energy, waste and chemicals). (iii) Degree of progress in the development of strategic partnerships aimed at the transformation of the industry. (iv) Degree of progress in improving traceability across our supply chain. (v) Level of implementation of environmental projects related to the initiative to charge for paper bag and envelopes at stores. (vi) Development of innovation projects in fibres and production processes.
	Progress in corporate governance	Degree of compliance with the recommendations of the Good Governance Code of Listed Companies and alignment with international best practices.
	Progress in implementing diversity and compliance programmes	Approval of internal regulations and degree of international roll-out.

The short-term variable remuneration for 2025 based on the achievement of the above referred targets will be paid in 2026 in cash.

- **Multi-year or long-term variable remuneration**

a) 2025-2029 LONG-TERM INCENTIVE PLAN

The Board of Directors plans to submit to shareholders for approval at the 2025 Annual General Meeting a new long-term cash and share incentive plan for members of the management team, including the CEO and other Inditex Group employees. The terms and conditions of this plan will be detailed in the specific resolution to be submitted to shareholders for approval at the General Meeting.

b) 2023-2027 LONG-TERM INCENTIVE PLAN

The **2023-2027 Long-term Incentive Plan** for members of the management team, including the CEO and other Inditex Group employees, was approved at the 2023 AGM (with 98.94% of votes for).

The Plan consists of the combination of a **multi-year bonus in cash and the promise to deliver shares**, which, once a specific period of time has elapsed and the achievement of the specific targets has been verified, will be paid to the beneficiaries of the Plan, either in full or in the relevant applicable percentage, as the case may be.

The total duration of the Plan is **4 years** and it is structured in **2** independent time **cycles**:

- The first cycle of the Plan runs from 1 February 2023 to 31 January 2026.

- The second cycle runs from 1 February 2024 to 31 January 2027.

The Board of Directors, on the proposal of the Remuneration Committee, is responsible for approving the targets at the beginning of each cycle as well as the performance scale for each of the metrics which enables the calculation of the payout coefficient for each level of target achievement. The performance scales include a minimum threshold below which no incentive is paid and a maximum level of achievement, for which a maximum incentive is paid.

The Committee annually monitors the objectives. Once the performance period of each cycle has ended, it will assess the level of achievement of each objective and in the cycle as a whole. This assessment will be made based on the data and results provided by the Financial Division, the General Counsel's Office and the Sustainability Department, reviewed by the external and internal auditors, and previously analysed by the Audit and Compliance Committee and the Sustainability Committee, as applicable.

Following such review, the Remuneration Committee will draw up a proposal to be submitted to the Board of Directors on the incentive levels associated with the degree of achievement attained, based on the established performance scales.

Both for setting the targets and for the evaluation of achievement levels, the Remuneration Committee also considers the quality of results in the long-term as well as any associated risk.

Any positive or negative economic effects arising from any extraordinary events which might introduce distortions into the results of the evaluation, may be removed upon determining the level of achievement of the targets.

Under such Plan, the CEO will receive, if appropriate, an incentive which will materialise as follows: **60% in shares** and **40% in cash**. Regarding 60% of the incentive which would, if appropriate, be settled in shares, the number of shares granted at the beginning of each cycle will be determined based upon the average weighted share price on the 30 trading days immediately prior to the commencement date of each cycle. Upon expiry of each cycle, the Remuneration Committee will assess the level of achievement of objectives and propose the number of shares to be released.

The CEO has **undertaken to hold for at least 3 years** the net shares that he may receive as a result of any element of variable remuneration, until he holds a number of shares equivalent to at least 2 years of his fixed remuneration. In any case, once this shareholding target has been reached, the CEO must fulfil the lock-up obligations under this Plan, which involve holding a number of shares equivalent to the incentive received in shares, net of applicable taxes, for 2 years after their release. This obligation will survive even when relationship has ended, as addressed in section A.1.1 above.

Likewise, the Company may **cancel** before payment **and/or claim refund** of the long-term incentive previously paid, in full or in part, (clawback) should certain unforeseen circumstances occur during the 2 years following the delivery of the incentive for the performance during each cycle. Such specific circumstances have been addressed in section A.1 above.

The incentive amounts and features for the two cycles of the 2023-2027 Plan are detailed below:

– The **maximum amount of the incentive** assigned to the CEO would amount to:

	Maximum incentive	=	Cash	+	Shares
First Cycle (2023-2026)	133% of annual fixed remuneration		€1,331 thousand		75,045
Second Cycle (2024-2027)	133% of annual fixed remuneration		€1,331 thousand		51,502

- At the end of each cycle, the Remuneration Committee will assess the level of target achievement and propose the cash amount and the number of shares to be released. The achievement of targets will be measured against identifiable and quantifiable parameters, called metrics.

The incentive for the first cycle (2023-2026) will vary depending upon the following **metrics**, with the following weight:

Weighting	Target	Performance criteria
25%	Profit before Taxes ("PBT")	PBT figure for FY2025 (ending on 31 January 2026), expressed in euros, compared to the amount set by the Board of Directors as a target at the commencement of the first cycle.
25%	Store and Online Sales ("TTTT" (*Spanish acronym*))	Amount in euros of total store and online sales in constant currency at the end of FY2025 (31 January 2026) according to the Company's information, measured against the amount set by the Board of Directors as a target at the commencement of the first cycle.
12.5%	Absolute Total Shareholder Return ("TSR")	Performance of an investment in Inditex shares over the period of the first cycle, determined by the ratio (expressed as a percentage) between the final value of a hypothetical investment in Inditex shares (reinvesting the dividends from time to time) and the initial value of that same hypothetical investment. The initial value is defined as the average weighted share price on the 30 trading days immediately prior to 1 February 2023 (exclusive) (€26.6), and the final value is defined as the average weighted share price on the 30 trading days immediately prior to 31 January 2026 (inclusive). To this end, for calculating such final value, the dividends or other similar amounts received by shareholders on said investment during the respective period of time will be considered, as if the gross amount thereof (before taxes) would have been reinvested in more shares of the same class on the first date on which the dividend or any similar amount is payable to shareholders and at the closing share price on that date. The absolute TSR achieved during the 2023-2026 period will be measured against the TSR set by the Board of Directors at the commencement of the first cycle, as maximum target.
12.5%	Relative Total Shareholder Return ("TSR")	Performance of an investment in Inditex shares compared to the performance of an investment in shares of a Peer Group company (as defined below) during the first cycle, determined by the difference (subtraction) between Inditex's annualised TSR and the annualised TSR of this Peer Group. For the purposes of Inditex's TSR and the TSR of every company in the Peer Group, the initial value shall mean the weighted average share price on the 30 trading days immediately prior to 1 February 2023 (exclusive). For the purposes of Inditex's TSR and the TSR of every company in the Peer Group, final value shall mean the weighted average share price on the 30 trading days immediately prior to 31 January 2026 (inclusive). To this end, for calculating such final value, the dividends or other similar amounts received by shareholders on said investment during the respective period of time will be considered, as if the gross amount thereof (before taxes) would have been reinvested in more shares of the same class on the first date on which the dividend or any similar amount is payable to shareholders and at the closing share price on that date.
25%	Sustainability index (comprising 4 indicators)	(i) "Consumption of textile raw materials with a lower impact (referred to as 'preferred'): measured as the percentage of preferred textile raw materials (organic, in conversion, regenerative, recycled, certified as European linen, Green viscose in the Hot Button Report by Canopy and EU BAT compliant or "Next Generation") in FY2025 Winter campaign on the total purchase of the main fibres (cotton, polyester, linen, viscose, modal and Lyocell) in said campaign. (ii) "Water consumption": measured as the percentage reduction in water consumption (litre/kg) in the supply chain between the cycle start date (1 February 2023) and the cycle end date (31 January 2026). (iii) "Decarbonisation": measured in terms of percentage reduction of the volume of Scope 3 Greenhouse Gas emissions, in the category "purchased goods and services" between the start date of the cycle (1 February 2023) and the end date of the cycle (31 January 2026). (iv) "Social": total number of workers who are part of the programmes of the priority impact areas of social dialogue, living wages, health, respect and resilience of the Workers at the Centre Strategy in the period between 1 February 2023 and 31 January 2026 (cumulative data for the three financial years: FY2023, FY2024 and FY2025).

- For the purpose of calculating the payout coefficient attained for each level of target achievement, a **performance scale** will be determined for each metric, set at the commencement of the cycle, which will include a minimum threshold below which no incentive will be paid, corresponding to a payout ratio of 30% of the maximum incentive granted, and a maximum level, corresponding to a payout ratio of 100% of the Maximum Incentive Granted. For intermediate levels, the results shall be determined by linear interpolation.
    - PBT, TTTT, absolute and relative TSR, and Sustainability index, the following will be measured:

Level of achievement	Level of Incentive (% of Maximum Incentive)
Below minimum	0%
Minimum	30%
Maximum	100%

- Regarding the evolution of relative TSR:
    - The Peer Group is made up of 14 companies in the Retail industry with a potential impact in its listing due to similar external factors as Inditex, as indicated below: Nike, Fast Retailing, Lululemon Athletica, Adidas, H&M, Associated British Foods, VF Corporation, Burberry, Next, Puma, Zalando, JD

Sports Fashion, Ralph Lauren Corporation and Hugo Boss (the "**Peer Group**").

- The following will be calculated at the end of the first cycle:
  - Inditex's TSR and the TSR of each company in the Peer Group for the 2023-2026 period.
  - The arithmetic mean of the TSR of each company, resulting in the average TSR for the Peer Group.
  - Inditex's annualised TSR and the annualised TSR of the Peer Group.

  Next, the difference (subtraction) between Inditex's annualised TSR and the annualised TSR of the Peer Group will be calculated. This difference will be compared against the target set by the Board of Directors at the beginning of the first cycle and a payout ratio, ranging from 0% to 100% of the maximum incentive granted, will be applied in accordance with the specified scale.

In order to be eligible to receive the relevant incentive, as a general rule, beneficiaries must remain in the Company until expiry of the accrual period.

The incentive for the second cycle (2024-2027) will vary depending upon the following **metrics**, with the following weights:

Weight	Target	Performance criteria
25%	Profit before Taxes ("PBT")	PBT figure at FY2026 end (31 January 2027), expressed in euros, compared to the amount set by the Board of Directors as a target at the commencement of the second cycle.
25%	Store and Online Sales ("TTTT" (Spanish acronym))	Amount in euros of total store and online sales in constant currency at the end of FY2026 (31 January 2027) according to the Company's information, measured against the amount set by the Board of Directors as a target at the commencement of the second cycle.
12.5%	Absolute Total Shareholder Return ("TSR")	Performance of an investment in Inditex shares over the period of the second cycle, determined by the ratio (expressed as a percentage) between the final value of a hypothetical investment in Inditex shares (reinvesting the dividends from time to time) and the initial value of that same hypothetical investment. The initial value is defined as the average weighted share price on the 30 trading days immediately prior to 1 February 2024 (exclusive) (€38.76) and the final value is defined as the average weighted share price on the 30 trading days immediately prior to 31 January 2027 (inclusive). To this end, for calculating such final value, the dividends or other similar amounts received by shareholders on said investment during the respective period of time will be considered, as if the gross amount thereof (before taxes) would have been reinvested in more shares of the same class on the first date on which the dividend or any similar amount is payable to shareholders and at the closing share price on that date. The TSR achieved will be measured against the target set by the Board of Directors at the commencement of the second cycle.
12.5%	Relative Total Shareholder Return ("TSR")	The relative TSR is defined as the performance of an investment in Inditex shares compared to the performance of an investment in a Peer Group (as defined below) during the second cycle, determined by the difference (subtraction) between Inditex's annualised TSR and the annualised TSR of this Peer Group. In order to calculate the performance of the investment in shares of Inditex and of each company in the Peer Group, we determine the quotient (expressed as a percentage ratio) between the final value of a hypothetical investment in shares (reinvesting the dividends from time to time) and the initial value of that same hypothetical investment. The initial value is the average weighted share price of each company on the 30 trading days immediately prior to 1 February 2024 (exclusive) (the "Initial Value"). The final value is the average weighted share price of each company on the 30 trading days immediately prior to 31 January 2027 (inclusive) (the "Final Value"). To this end, for calculating such Final Value, the dividends or other similar amounts received by shareholders on said investment during the respective period of time will be considered, as if the gross amount thereof (before taxes) would have been reinvested in more shares of the same class on the first date on which the dividend or any similar amount is payable to shareholders and at the closing share price on that date.
25%	Sustainability index (comprising 4 indicators)	(i) "Consumption of textile raw materials with a lower impact (referred to as preferred)": measured as the percentage of preferred textile materials in the FY2026 Winter campaign on the total purchase of the raw materials in that campaign. (ii) "Biodiversity Improvement": measured as the increase in the number of hectares that are protected, restored, regenerated or under other forms of biodiversity improvement management, between the start date of the second cycle (1 February 2024) and the end date (31 January 2027). (iii) "Decarbonisation": measured as the percentage reduction in the volume of Greenhouse Gas emissions (scope 3), in the category "purchased goods and services", between the start date of the second cycle (1 February 2024) and the date of its completion (31 January 2027). (iv) "Implementation of the Environmental Improvement Programme for Supply Chain Transformation": measured as the percentage of facilities in which the plan has been implemented over the total facilities targeted by the plan (cumulative data for the three financial years: FY2024, 2025 and 2026).

- For the purpose of calculating the payout ratio attained for each level of achievement of targets, a performance scale will be determined for each metric, set at the commencement of the cycle, which will include a minimum threshold below which no incentive will be paid, corresponding to a payout ratio of 30% of the maximum incentive granted, and a maximum level, corresponding to a payout ratio of 100% of the Maximum Incentive Granted. For intermediate levels, the results shall be determined by linear interpolation.

- PBT, TTTT, absolute and relative TSR, and Sustainability index, the following will be measured:

Level of achievement	Level of Incentive (% of Maximum Incentive)
Below minimum	0%
Minimum	30%
Maximum	100%

- Regarding the evolution of relative TSR:
  - The Peer Group is made up of 14 companies in the Retail industry with a potential impact in its listing due to similar external factors as Inditex, as indicated below: Nike, Fast Retailing, Lululemon Athletica, Adidas, H&M, Associated British Foods, VF Corporation, Burberry, Next, Puma, Zalando, JD Sports Fashion, Ralph Lauren Corporation and Hugo Boss.
  - The following will be calculated at the end of the second cycle:

    - Inditex's TSR and the TSR of each company in the Peer Group for the 2024-2027 period.

    - The arithmetic mean of the TSR of each company, resulting in the average TSR for the Peer Group.

    - Inditex's annualised TSR and the annualised TSR of the Peer Group.

  Next, the difference (subtraction) between Inditex's annualised TSR and the annualised TSR of the Peer Group will be calculated. This difference will be compared against the target set by the Board of Directors at the beginning of the second cycle and a payout ratio, ranging from 0% to 100% of the Maximum Incentive Granted, will be applied in accordance with the specified scale.

  In order to be eligible to receive the relevant incentive, as a general rule, beneficiaries must remain in the Company until the expiry of the vesting period.

b) 2021-2025 LONG-TERM INCENTIVE PLAN

The second cycle (2022-2025) of the **2021-2025 Long-term Incentive Plan** approved at the Annual General Meeting held on 13 July 2021 expired on 31 January 2025. The features and amounts of the associated incentive are detailed in section B of this Report, which includes information on the enforcement of the Remuneration Policy in financial year 2024 (the "**2021-2025 Plan**").

A.1.7. Main characteristics of long-term savings systems.

Pursuant to the Remuneration Policy, the CEO is not a beneficiary of any long-term saving system, including retirement and/or any other survivor benefit, partly or wholly funded by the Company. In any event, provision is made for the possibility that the Board of Directors may implement such a system for executive directors during its term.

A.1.8. Any type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director, whether at the company's or the director's initiative, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, minimum contract term or loyalty, that entitles the director to any kind of remuneration.

No severance pay has been agreed in case of termination of duties as director, except for that provided in subparagraphs (iii) and (iv) of the following section regarding the CEO for the performance of senior management functions.

A.1.9. State the conditions that contracts should respect for those exercising senior management duties as executive directors.

Pursuant to the provisions of sections 249 and 529*octodecies* LSC and section 30.3 of the Board of Directors' Regulations, the relevant terms of the contracts entered into with the CEO are detailed below:

(i) Term

The CEO's contract has an indefinite term.

(ii) Notice period

Both in case of termination of the contract on account of certain grounds attributable to Inditex, and on account of voluntary resignation of the executive director, notice shall be given at least three (3) months in advance. Such notice may be replaced with an amount equivalent to the fixed remuneration of the non-observed term of notice.

(iii) Termination clause

The CEO shall be entitled to severance pay in a gross amount equivalent to the remuneration of **two (2) years** calculated based upon the sum of his **annual fixed and variable remuneration**, established for the current year, where the relevant contract is terminated by unilateral decision of the Company, as well as in case of resignation tendered by the CEO under certain premises (including the succession in the company or a change in control in the Company that affects more than 50% of the share capital or of the voting rights, provided that a significant refreshment of the governing bodies of the Company or a change in the contents or purpose of the main business activity of the Company takes place at the same time, if such request for termination is made within six months of the occurrence of such succession or change. For such purpose, no succession or change in control shall be deemed to have taken place in the event of direct or indirect family succession in the ownership of the Company).

(iv) Agreement on exclusivity and post-contractual non-compete obligation

For as long as his contractual relationship with Inditex remains in force, the CEO shall perform his senior management functions exclusively for the Company and the Inditex Group, and he shall refrain from working either directly or indirectly for any third parties, or for his own account, even where the activities he may carry out would not compete with those of the Inditex Group. This provision does not apply to the office of non-executive director on the board of other companies which do not compete with Inditex, subject to the restrictions set out in the Board of Directors' Regulations.

Under the terms and conditions of his contract, compensation for the post-contractual non-compete obligation is included in the severance pay.

With regard to the post-employment non-compete agreement and as regards all members of the Board of Directors, irrespective of their directorship type, section 24.3 of the Board of Directors' Regulations provides that "a director who ends their term of office or for any other reason should cease to serve as a director may not serve as a director in any other company whose corporate objects are similar to that of the company for a 2-year period".

(v) Clawback provision

Pursuant to the provisions of section A.1 of this Report, should (i) any event or circumstance occur that would result in the negative change or variation, in final terms, of the financial statements, results, economic data, performance data or otherwise, upon which the accrual and payment to the executive director of any amount in terms of variable remuneration would have been based, and, (ii) should such change or variation determine that, if they had become known at the date of accrual or payment, the executive director would have received a lesser amount than the one initially paid, the Company shall be entitled to claim from him clawback of any excess paid.

Additionally, as explained in section A.1 above, the Company may cancel and/or claim the clawback of the long-term incentive previously paid to the executive director, in full or in part, in the event of occurrence of certain unforeseen circumstances during the 2 years following the delivery of the incentive.

A.1.10. The nature and estimated amount of any other supplementary remuneration accrued by directors in the current year in consideration for services rendered other than those inherent in their position.

Directors will not receive in the current year any remuneration other than that accrued for the services rendered in their position.

A.1.11. Other items of remuneration such us any deriving from the company's granting the director advances loans or guarantees or any other remuneration.

The granting of advance payments, loans or guarantees to directors is not covered in the Remuneration Policy.

As at the date of this Report, no advanced payment, loans or guarantees have been granted to any director.

A.1.12. The nature and estimated amount of any other planned supplementary remuneration to be accrued by directors in the current year that is not included in the foregoing sections, whether paid by the company or by another group company.

No supplementary remuneration other than the one explained above are provided in the Remuneration Policy.

As at the date of this Report, no supplementary remuneration has been accrued to directors in consideration for services rendered other than those inherent in their position, nor any additional remuneration item other than those addressed in the sections above.

A.2. Significant changes in the Remuneration Policy applicable in the current year.

No changes to Inditex's Remuneration Policy are expected in 2025. The Policy expires on 31 January 2027.

The Board of Directors plans to submit for approval at the 2025 Annual General Meeting, as separate agenda items: (i) this Annual Report on Remuneration of Directors for the year ended 31 January 2025 (to be submitted to an advisory say-on-pay vote); and (ii) a new long-term incentive plan in cash and shares addressed to the management team, including the CEO and other employees of Inditex Group. The terms and conditions of this new plan will be aligned with the current Remuneration Policy.

A.3. Direct link to the document containing the company's current remuneration policy, which must be available on company's website.

A link to the Remuneration Policy applicable for financial year 2025 is provided below:

https://www.inditex.com/itxcomweb/api/media/5bec12ad-9a1b-4a82-bff8-8b5dfa5e738b/Board+Members+Remuneration+Policy_24_25_26.pdf?t=1689089034597

A.4. Consideration on the voting by the General Shareholders' Meeting on the annual report on remuneration for the previous year.

The 2024 AGM approved the Annual Report on the Remuneration of Directors for financial year 2023 with 98.34% of votes for.

Since the first directors' remuneration policy was approved, the Annual Reports on the Remuneration of Directors have been broadly supported by shareholders in the advisory say-on-pay vote and, in addition, by institutional investors and proxy advisors.

B. Overall summary of how remuneration policy has been applied during the year ended

Inditex Directors' Remuneration Policy for financial years 2024, 2025 and 2026 was approved at the 2023 AGM with 98.37% of votes for.

The following sections detail how the current Remuneration Policy has been applied in 2024.

B.1.1. Process followed to apply the remuneration policy and determine the individual remuneration contained in Statistical Appendix. Role of the Remuneration Committee, decisions made by the Board of Directors and role played by external advisors.

B.1.1. a) Remuneration Committee's membership

As provided in Article 30 of the Articles of Association, section 17 of the Board of Directors' Regulations, and section 7 of the Remuneration Committee's Regulations, the Remuneration Committee shall comprise at least 3 and at most 7 non-executive directors, a majority of whom must be independent directors.

Members of the Remuneration Committee are appointed by the Board of Directors following a report from the Nomination Committee. The Chair of the Remuneration Committee is also appointed by the Board of Directors, out of the independent members of such Committee.

As at 31 January 2025 and as at the date of this Report, the Remuneration Committee was made up of the following members, **all** of them **independent directors,** except Mr José Arnau Sierra, proprietary director:

Mr Rodrigo Echenique Gordillo (Chair, Independent Director)	Bns. Denise Patricia Kingsmill (Member, Independent Director)
Mr José Arnau Sierra (Member, Proprietary Director)	Mr José Luis Durán Schulz (Member, Independent Director)

As at 31 January 2025, Mr Javier Monteoliva Díaz is the Secretary non-member of the Committee.

The Remuneration Committee meets whenever it is deemed appropriate for it to be effective, and in any case, whenever the Board of Directors or its Chair requests the issuing of a report or the adoption of proposals within its purview. Moreover, the Remuneration Committee shall hold a regular meeting every year to prepare the information on the remuneration of directors, which the Board of Directors has to approve and include as part of its annual public documentation.

During the meeting that the Board of Directors holds immediately after each meeting of the Remuneration Committee, the Chair of the latter apprises Board members of the business transacted in the course of such meeting.

B.1.1. b) Process followed to enforce the Remuneration Policy and determine individual remunerations.

The duties of the Remuneration Committee are covered in Article 30 of the Articles of Association, section 17 of the Board of Directors' Regulations and sections 5 and 6 of the Remuneration Committee's Regulations.

The Remuneration Committee met three (3) times in financial year 2024. Directors' attendance rate, whether physical or virtual at the meetings held in 2024 stands at 100%.

In financial year 2025 to the date of release of this Report, the Committee has met once (1).

At the aforementioned meetings, the Remuneration Committee has discussed, inter alia, the following matters and has resolved, where appropriate, to submit them to the Board of Directors for approval:

- At the meeting held on 11 March 2024:
  - With regard to the CEO's remuneration, the Committee resolved to submit to the Board of Directors the following proposals:
    - The assessment of the level of achievement of the targets tied to the CEO's variable remuneration for financial year 2023 (approved in 2022), and the proposal on the overall remuneration payable to the CEO in 2023.
    - The proposal on the items and yardsticks to determine the CEO's remuneration for 2024 for the performance of his duties and responsibilities as chief executive.

    The Board of Directors approved at its meeting of 11 March 2024, the achievement of these targets and the pertaining level of incentive payment, as well as the total remuneration payable in 2023 to the CEO and the proposed overall remuneration payable to Mr García Maceiras in 2024.
  - In relation to the 2021-2025 Long-term Incentive Plan, the Committee assessed the level of achievement of the targets set for the first cycle (2021-2024) of the Plan to which the long-term variable remuneration of the CEO and senior managers for financial year 2023 was tied and the corresponding payout level.

    Furthermore, and on the basis of a projected presentation, the Committee discussed the outcome of the external auditors' report of agreed procedures, in accordance with International Standard on Related Services (ISRS) 4400 (Revised), in relation to the calculation of the "Total shareholder return (TSR)" and the degree of achievement of the target assigned to the sustainability index for this first cycle (2021-2024) of the 2021-2025 Plan.

    In that same meeting, the Committee assessed the preliminary achievement and payment levels for certain metrics to which the second cycle (2022-2025) of the 2021-2025 Plan was tied.
  - With regard to the 2023-2027 Plan, at said meeting of 11 March, the Committee gave a favourable report to the proposal on metrics and the maximum incentive granted for its second cycle (2024-2027).

    The Board of Directors approved at its meeting of 11 March 2024: (i) the level of achievement of the targets and the corresponding payout level proposed by the Remuneration Committee regarding the settlement of the first cycle (2021-2024) of the 2021-2025 Plan, and (ii) the proposal on metrics and maximum incentive granted for the second cycle (2024-2027) of the 2023-2027 Plan.
  - In relation to the Annual Report on Remuneration of Directors for financial year 2023, the Committee reviewed and gave a favourable report to the draft Report, assessing whether the overall remuneration payable to the Board of Directors was adequate considering the concepts and amounts provided for in the

Directors' Remuneration Policy for financial years 2024, 2025 and 2026.

The Annual Report on Remuneration of Directors was approved by the Board of Directors at its meeting of 11 March 2024 and, in addition, at the Annual General Meeting held on 9 July 2024 (with 98.342% of votes for) in an advisory say-on-pay vote.

- At the meeting held on 9 December 2024:
  - With regard to the second cycle (2024-2027) of the 2023-2027 Plan, the Committee proposed (i) the targets for each of the metrics to which the second cycle (2024-2027) of the 2023-2027 Plan is tied and the calibration of their corresponding performance scales (and other related aspects) as well as (ii) the proposal on the draft Regulations of the Plan. It also gave a favourable report to the different levels of beneficiaries of the aforementioned second cycle of the 2023-2027 Plan, as well as the criteria for their individual designation.

    The Board of Directors approved the above-mentioned proposals and the text of the Regulations of the Plan at its meeting on 10 December 2024.

- At the meeting held on 10 March 2025:
  - It has evaluated the level of achievement of the targets tied to the second cycle (2022-2025) of the 2021-2025 Plan and the associated payment level, which were approved by the Board of Directors at its meeting of 11 March 2025.
  - It has submitted to the Board of Directors the proposals on (i) the overall CEO's remuneration payable in 2024, and (ii) the items and yardsticks to determine the remuneration for the current year. This proposal was approved by the board at its meeting held on 11 March 2025.
  - It has issued the proposal on the draft Annual Report on Remuneration of Directors for 2024, assessing whether the overall remuneration payable to members of the Board of Directors was adequate considering the items and amounts envisaged in the Directors' Remuneration Policy for FY2024, FY2025 and FY2026. This Report was reviewed by the Audit and Compliance Committee at the meeting held on the same day, to ensure that it is consistent with all other information disclosed in other mandatory transparency reports, and establish its integrity and observance of applicable regulations.

    Last, the Board of Directors approved the Annual Report on Remuneration of Directors for 2024 at the meeting held on 11 March 2025. The Board resolved to submit it to an advisory say on pay at the 2025 Annual General Meeting.

Further information on the remaining meetings of the Committee and its proceedings in 2024 is shown in the Annual Report on its proceedings, issued by the Remuneration Committee at its meeting held on 10 March 2025 and in the Annual Corporate Governance Report issued by the Audit and Compliance Committee at its meeting held on that same day. Both reports were approved by the Board of Directors on the same day it approved this Annual Report on Remuneration of Directors, i.e., 11 March 2025.

B.1.1. c) Identity and role of external advisors.

To better perform its functions, the Remuneration Committee may request from the Board of Directors the engagement of legal, accounting, financial or other experts at the expense of the Company.

In this regard, the Remuneration Committee has been advised in financial year 2024 by WTW, an independent consultant specialising in the field of compensation of directors and senior managers, (i) in the preparation of the Annual Report on the Remuneration of Directors for financial year 2023 and, (ii) in the design and implementation of the in-flight LTIP in place.

B.1.2. Explain any deviation from the procedure established for the application of the remuneration policy that has occurred during the year.

There were no deviations from the established procedure in the application of the Remuneration Policy in financial year 2024.

B.1.3. Temporary exceptions to the remuneration policy and exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the company deems that these exceptions have been necessary to serve the long-term interests and sustainability of the company as a whole or to ensure its viability. Quantification of the impact the application of these exceptions has had on the remuneration of each director in the financial year.

No temporary exceptions to the Remuneration Policy have been applied in financial year 2024.

B.2. Actions taken to align the remuneration system with the long-term targets, values and interests of the Company, and measures to guarantee that the long-term results of the Company have been taken into consideration in the remuneration accrued. Actions taken regarding the remuneration system to reduce exposure to excessive risks and measures to avoid conflicts of interest.

B.2.1. Actions taken to align the remuneration system with the long-term targets, values and interests of the Company, and measures to guarantee that the long-term results of the Company have been taken into consideration in the remuneration accrued.

The measures taken in 2024 to ensure that **long-term results** of the Company **are considered** in the **application** of the Remuneration Policy are described below:

- The CEO' total remuneration comprises different remuneration elements, mainly consisting of: (i) a fixed remuneration, (ii) a short-term variable remuneration (annual), and (iii) a long-term variable remuneration (multi-year).
- In financial year 2024, this long-term element had a weighting of 44% on the accrued total remuneration (fixed + short-term variable + long-term variable).
- Long-term variable remuneration plans are part of a multi-year framework to ensure that the evaluation is based upon long-term results and that the underlying economic cycle of the Company is considered therein.

- Part of this remuneration is awarded and will be released in shares, based upon shareholder value creation, so that the interests of the executive director and officers are aligned with shareholders' interests.

- The CEO has undertaken to hold for at least 3 years the net shares that he may receive as a result of any element of variable remuneration, until he holds a number of shares equivalent to at least 2 years of his fixed remuneration. In any case, once this shareholding target has been reached, the CEO must comply with the lock-up obligations under the long-term incentive plans, which involve holding a number of shares equivalent to the incentive received in shares, net of applicable taxes, for 2 years after their release. This obligation will survive, in respect of the shares the CEO receives from the 2023-2027 Long-Term Incentive Plan, even termination of the relationship with the Company, as detailed in section A.1.1 above.

  These measures result in a better alignment of the interests of the CEO with those of the shareholders.

The Remuneration Policy in effect in 2024 set an **appropriate balance between fixed and variable** items of the remuneration as described below:

- The design of the remuneration scheme shows an efficient balance between fixed and variable items, as described in section A.1. above.

- Variable remuneration items were flexible enough to allow their shaping, to the extent that it was possible that no amount was paid on in terms of variable remuneration, whether annual or multi-year; in such case, fixed remuneration would have represented 100% of total compensation.

- Variable remuneration is not guaranteed.

B.2.2. Actions taken regarding the remuneration system to reduce exposure to excessive risks and measures to avoid conflicts of interest.

The **measures** taken in 2024 with regard to **those members of staff** whose professional activity may have a **material impact on the risks profile** of the Company were:

- The Remuneration Committee reviews on an ongoing basis whether the principles, yardsticks and remaining terms of the Remuneration Policy are fit for the Company's specific circumstances and aligned with market remuneration practices.

- The Remuneration Committee was the internal body responsible for considering and reviewing the appropriate and consistent application of the Remuneration Policy in relation to the remuneration of directors, in particular the CEO, but also with respect to the application of the remuneration policy for the Groups's senior managers, ensuring that no payments have been made that are disproportionate in relation to their peers or outside the scope of the Policy and or the relevant contracts. Those professionals whose activity may have a material impact on the risks' profile of the Company are included among them.

- All members of the Remuneration Committee also sit on the Audit and Compliance Committee. Therefore, the Chair of the Remuneration Committee is a member of the Audit and Compliance Committee. This ensures that risks associated to remuneration are considered in the course of the debates of the Remuneration Committee and of the Audit and Compliance Committee and in proposals submitted by both Committees to the Board of Directors, on both the determination and the process to assess annual and multi-year incentives.

- Likewise, 2 ordinary members of the Remuneration Committee also sit on the Sustainability Committee. In particular, the Chair of the Sustainability Committee is a member of the Remuneration Committee. The Sustainability Committee is responsible for overseeing and monitoring proposals in the field of sustainability, on social and environmental issues, on health and safety of the products that the Company places on the market, and the relations with the different stakeholders in the field of sustainability. Thus, the fact that the same directors sit on different committees allows ensuring that alignment with the Group's priorities in the field of sustainability for all its stakeholders is considered upon establishing and enforcing the terms of the Remuneration Policy.

With regard to **clawback** provisions in order to be entitled to claim the refund of variable items of the remuneration that are based on results, when such items have been paid on the basis of information clearly shown later to be inaccurate:

- A clawback clause is included in the contract executed with the executive director in respect of variable items of his remuneration in such cases. Additionally, the Company may cancel and/or claim the refund of the long-term incentive previously paid in full or in part, upon occurrence of certain unforeseen circumstances, as described in section A.1 above.

- The Remuneration Committee may propose to the Board of Directors the cancellation of payment or, where appropriate, the refund of the variable items of the remuneration of directors based on results, when they have been paid on the basis of information clearly shown to be inaccurate. It can also propose the termination of the relationship with the relevant manager and the filing of the relevant claims, pursuant to the terms of section 6 of the Remuneration Committee's Regulations.

The measures taken to detect, determine and resolve potential **conflicts of interest** have been addressed in section A.1.2.c) above.

B.3. How the remuneration accrued in the financial year complies with the provisions of the applicable remuneration policy and how it contributes to the long-term and sustainable performance of the company. Relationship between the remuneration accrued by the directors and the results or other performance measures of the company in the short and long term.

The Directors' Remuneration Policy applied in financial year 2024 was approved at the 2023 AGM. The Policy expires on 31 January 2027, which means that its characteristics, described in section A.1. above, are applicable to this section.

The amounts set out in said section A.1 above are the only remuneration paid in 2024 to directors in their capacity as such for membership on the Board of Directors of Inditex, or of any Group companies, except for the remuneration of the CEO for the performance of senior management functions. Directors have not received any other remuneration under a profit-sharing scheme or bonus, nor any remuneration systems or schemes covering a variable remuneration or based on results or other indicators of performance of the Company.

As regards the CEO, certain items of their remuneration for the performance of senior management functions are tied to results and other indicators of performance of the Company. In particular, in 2024:

- **Short-term or annual variable remuneration:**

As explained below, the Board of Directors resolved, on the proposal of the Remuneration Committee, that the annual variable remuneration for the CEO, Mr Óscar García Maceiras in financial year 2024 should be determined in accordance with the following criteria:

Weighting	Target	Performance criteria
70%	Net sales (35%) and contribution margin (35%)	The same criteria as those established for senior managers according to the budget of the Company are applied.
15%	CEO's individual performance	Assessment by the Board of Directors, on the proposal of the Nomination Committee.
	Strategic development of the Company	Drive the initiatives related to advancing the four strategic priorities, such as improving the fashion proposal, enhancing the customer experience, increasing the focus on sustainability and preserving the talent and commitment of our people
15%	Progress in the implementation of the strategy towards global sustainability at Inditex, measured against the following indicators:	(i) Degree of progress in adoption of recycled fibres. (ii) Degree of progress in the supply chain transformation plan (water, energy, waste and chemicals). (iii) Degree of progress in the development of strategic partnerships aimed at the transformation of the industry. (iv) Degree of progress in improving traceability across our supply chain. (v) Development of additionality mechanisms in the renewable energy infrastructure. (vi) Level of implementation of environmental projects related to the initiative to charge for paper bag and envelopes at stores. (vii) Development of innovation projects in fibres and production processes.
	Progress in corporate governance	Degree of observance of the recommendations set out in the Good Governance Code of Listed Companies and alignment with international best practices.
	Progress in implementing diversity and compliance programmes	Approval of internal regulations and degree of international roll-out.

In order to assess the criteria above for the purpose of determining the CEO's annual variable remuneration for financial year 2024, the Remuneration Committee has taken into account the target achievement levels and the performance scales associated with each target, with their corresponding slopes (i.e., the relation between the level of achievement and the payout level):

- Inditex Group's net sales were €38.632 billion in financial year 2024, between the target and the maximum achievement scenario, which implies a 118.3% payout level for this target.

- Contribution margin reached €7.331 billion in financial year 2024, exceeding the maximum achievement scenario, which implies a 125% payout level for this target.

The results achieved in the 2024 financial year highlight the robust operating performance of Inditex Group, which can be seen in the corresponding lines of the consolidated Income Statement. This performance has been achieved in a global environment of high financial volatility, uncertainty, and cost inflation, a macroeconomic complexity that has led to the need for very efficient management in terms of operations and cost centres.

Sales have performed well both in-store and online and across all formats, with a 7.5% growth of reported sales (10.5% sales growth in constant currency).

The transformation of the physical stores sales space has continued, resulting in 386 closures and 257 openings. The commercial sales space has increased by 2% versus the same period a year earlier.

The evolution of the gross margin has been positive, with 7.6% growth in absolute terms, standing at 57.8% of sales. This is despite the adverse effect of the net depreciation of sales currencies other than the euro and cost inflation, particularly concerning the rising cost of supplies transportation.

The efficient execution of the business model can also be observed in the management of operating expenses, whose real growth of 6.2%, considering all lease expenses, is 126 basis points below sales increase in the year expressed in percentage terms.

Profit Before Tax and Net Profit growth stands at 10% and 9%, respectively, relative to the very demanding comparables in the previous year 2023, which were 28% and 30%, respectively.

Strong cash flow generation and reinvestment back into the business continue, focusing on the execution of the logistics expansion plan, under the highest standards of sustainability and including cutting-edge technology. Cash generated from operating activities amounted to €7.486 billion, representing an 8% increase. The execution of the investment plan resulted in a cash outflow of €2.672 billion. The total dividend paid in 2024 of €1.54 per share, amounted to €4.797 billion. At the end of 2024, the Group's net financial position stood at €11.495 billion, the highest net cash position recorded by the Group at an annual close.

These results have been reflected in the positive share performance. Inditex's market capitalisation at 31 January 2025 reached €164.310 billion.

- With regard to the remaining targets, which represent an aggregate 30% weighting, the Remuneration Committee has assessed a level of achievement and a payout level of 125% for these targets. In this regard, the Remuneration Committee has considered the following:

  - The findings of the evaluation of the **CEO's performance**, carried out by the Board of Directors at the meeting held on 10 December 2024, following a report from the Nomination Committee. The CEO received a high score in such evaluation, having improved his score from the previous year. In this evaluation, his main role as an advocate of good corporate governance practices was once again highlighted, promoting the implementation of recommendations and best practices through an adequate coordination and balance of tasks and responsibilities with the Chair of the Board. The important work of information transparency continues to be highly appreciated, the clarity and accuracy of his messages being underscored. Additionally, his firm will and decisiveness when addressing complex issues and the continuous improvement of the overall management of the Company were noteworthy.

All of which keeps contributing to a continuous improvement in the working dynamics of board and committees' meetings.

– In terms of progress relating to the **strategic development** of the Company, during 2024, the Group has continued to develop initiatives to keep strengthening and building up the four priority focus areas: fashion proposal, customer experience, sustainability and focus on people. Some of the most relevant projects in the year have resulted in a very significant improvement in the commercial presence in locations such as Lisbon (with the new Zara store in Plaça Dom Pedro - ROSSÍO and the relocation of the rest of the commercial formats), Paris (through the Zara Home pop-up store in Rue de Bac and the extension of the Zara store in Hotel de Ville) or Chicago (with the extension of the Zara store in Skokie). New ways of interacting with our online customers have also been driven through the expansion of streaming to new markets. In terms of sustainability, 2024 has consolidated the Zara PreOwned programme, now available in 17 markets, and has ratified the Group's commitment to innovation with investments in start-ups such as Galy, Epoch or Infinited Fiber. We have also continued being clearly committed to people, with particular attention to inclusion, an area in which the objective of doubling the number of employees with some form of disability has been met.

– During 2024, progress has continued to be made towards meeting the **sustainability objectives** in accordance with the current Roadmap. Thus:

- Degree of progress in the adoption of recycled fibres: one of the most important commitments made by the Group in terms of use of resources is the Fibres Plan, which aims for 100% of the textile fibres used in our products in 2030 to be fibres with a lower impact on the environment compared to the impacts of conventional fibres. Advancing in the use of recycled materials prevents the extraction of new raw materials and reduces waste generation. In the Winter 2024 campaign, 39% of the textile fibres came from conventional recycling, a very significant advance towards our 2030 goal (40%).

- Degree of progress in the supply chain transformation plan (water, energy, waste and chemicals): in 2024, the 2024-2027 Supply Chain Environmental Transformation Plan was launched and circulated to all suppliers and manufacturers of the Group. In addition, support programmes have been initiated with key suppliers and manufacturers. In 2024, 69 on-site meetings were held to present the Plan in the Group's main production clusters, inviting 1,910 companies, with a 75% attendance rate.

- Degree of progress in the development of strategic partnerships aimed at the transformation of the industry: in 2024, progress has been made in Inditex's collaboration with the International Apparel Federation (IAF), a leading federation in the textile industry that brings together manufacturers, brands and sector associations from around the world. This collaboration seeks to promote a transformation in the clothing industry and in supply chains, laying the foundations for the implementation of projects that seek to improve working conditions, protect the environment, move towards circularity and promote transparency and traceability in supply chains. In addition, in June 2024, Inditex's CEO was appointed co-chair of the steering committee of The Fashion Pact, an initiative of which Inditex is a co-founding partner and which represents an agreement between leading companies in the fashion industry committed to setting specific targets to address the industry's challenges in the field of renewable energy, production and lower impact materials and biodiversity.

- Degree of progress in improving traceability across our supply chain: Based on our Traceability Requirements, new advances in this monitoring have been incorporated throughout 2024 including without limitation:

  - Supporting the implementation of the Fibres Plan, focusing on the traceability of raw materials.

  - Improvement of our tools to make it easier for suppliers to provide us with the required information.

  Efforts have also been made in several projects that support our traceability strategy.

    - Supply chain verification: pilots have been carried out to test new supply chain information verification flows, in market tools to collaborate in procedures standardization.

    - Fibre verification: verification of Revisco and Jilin Filamento fibres has been implemented through Textile Genesis.

- Development of additionality mechanisms in renewable energy infrastructure: in 2024, we have further developed our energy supply strategies, in particular driving their alignment with solid criteria of respect for Human Rights. In this way, a set of aspects have been established around three fundamental pillars: environmental impact, social impact and support for the capacity and resilience of the grid. In total, 15 criteria have been identified for the contracting of renewable energy projects, divided into these 3 key categories, which are based on good practices, trends and current legislative requirements.

- Degree of implementation of environmental projects related to the initiative of charging for paper bags and envelopes at the stores: in 2021 Inditex began to encourage the use of reusable bags at its stores to reduce the consumption of raw materials, water and energy associated with the paper bags and envelopes that it gives to its customers with their purchases. To encourage customers to bring their own bags, Inditex also began to charge for the bags and envelopes it provides. In 2024, this measure has been extended to most of the markets where it operates.

  This initiative, currently present in 79 markets, has allowed us to reduce the number of bags and envelopes provided in our stores by 48%. The proceeds raised since 2021 through the charging of recycled paper bags and envelopes in our stores, used in financing environmental projects, have amounted to €120.5 million, of which €67 million had been allocated to projects in 31 countries at the end of the year.

- Implementation of innovation projects in fibres and manufacturing processes: in 2024, work has continued on the Sustainability Innovation Hub (SIH), an innovation centre launched in 2020 with an action plan until 2030, designed to support the adoption and scaling of innovative technologies in fibres, materials, production processes and traceability in the textile and footwear sector. Its objective is to reduce the environmental impact associated with raw materials and production processes in the textile industry. In 2024, this platform has more than 300 emerging companies working to incorporate new materials, improve production processes and make progress in aspects relating to traceability, packaging and wrapping, use and end of life. In addition, the SIH carried out the environmental, technical and commercial analysis of more than 20 new innovations and performed more than 40 life cycle analyses. As outstanding initiatives of the year, capital contributions have been made to the following projects:

- *Infinited* Fiber: a start-up specialising in the recycling of cellulose materials and creator of Infinna™, a recycled fibre made from cotton-rich textile waste.

- Galy: a start-up that has developed an innovative and unique process for growing cotton in vitro through stem cell multiplication.

- Epoch: a start-up that uses artificial intelligence to design enzymes that enable the recycling of plastic and textile materials.

Regarding innovation projects in manufacturing processes, we have *The Mill by Inditex*, to evaluate the adoption of technological innovations in textile manufacturing processes that allow progress in reducing environmental impact, especially regarding water consumption and the chemical products used. Along these lines, in 2024 work has been done on the demonstration of the first facility net zero of emissions, water, waste and microfibres. To progress in the implementation of this model, in 2024 the scope of the pilot projects has also been extended, including supplier facilities in Morocco.

– Progress in **corporate governance.**

From the perspective of the composition, structure, organisation and functioning of Inditex's corporate bodies, in 2024 work has continued on the ongoing and permanent reinforcement of good governance practices, in line with the progress made in recent years.

- Inditex's constant efforts to achieve the highest levels of female representation on the highest governing body deserve special mention in terms of its commitment to diversity in the composition of the Board. In 2022, with five (5) women on the Board, the target set in 2020 of 40% female directors out of the total board seats was exceeded and **in 2023 parity between men and women (50/50) was achieved on Inditex's Board of Directors,** exceeding the targets set out for the less represented gender in *Ley Orgánica* 2/2024 of 1 August on equal representation and balanced presence of women and men, which transposes Directive (EU) 2022/2381, of 23 November 2022, on a better gender balance among directors of listed companies. With the changes to the composition of Inditex's Board of Directors, this parity has been maintained during 2024.

- In addition, as evidence of the strong boost given to the consolidation of a robust cybersecurity governance structure, during 2024, the Cybersecurity Advisory Committee (set up in 2023) met twice and the Company's various governing and supervisory bodies received regular information about the activity carried out by this Committee and the main issues dealt with in its meetings, in order to guide the decision-making process in the face of possible threats, report on critical incidents, security measures, possible risks and weaknesses of control and, in general, contribute to reinforcing the level of maturity of the Group's information security system. In addition, members of the Audit and Compliance Committee were invited to attend and participate at the Cybersecurity Advisory Committee meeting held in November 2024 .

- In 2024, the Articles of Association were amended with the main purpose of reducing the term of office of directors from four to two years, in order to improve the degree of alignment of the functioning and organisation of Inditex's governing bodies with best corporate governance practices, insofar as this reduction in the term of office contributes to (i) facilitating and promoting greater flexibility to adapt the composition of the Board of Directors to the evolution and needs of the Company and its strategic priorities, (ii) the gradual Board refreshment and (iii) increasing the accountability of the directors for their management before the General Meeting. In addition, certain technical and editorial improvements were introduced. In line with the above, an amendment to the Regulations of the General Shareholders' Meeting was also approved to improve the consistency between the two sets of rules, which are basic and core rules of Inditex's corporate governance system, and, ultimately, to facilitate the application and interpretation of these texts by the corporate bodies, shareholders and other interested third parties. This ultimately seeks to foster shareholder engagement.

- With regard to training programmes for directors, in 2024, work has continued on developing the contents of ITX Board Academy as regards risks and specific sustainability issues, such as climate change, due diligence and Human Rights, all of which are addressed from a holistic approach, including the assessment of their potential impacts, risks and opportunities. These issues are key for the Group and of interest to directors themselves. These training sessions are complemented by physical visits by the directors to the Group's stores, logistics centres and international subsidiaries.

  In addition, the Director Handbook (now the Onboarding Programme- Handbook for Board and Committees' Members), a document already available to the Company as an integral part of the global Induction programme for new directors (which, in turn, is part of ITX Board Academy), has been revised and amended, with the main purpose of aligning its content with best practices. In particular, this document has been adapted to include relevant information regarding the organisation, composition, duties and operation of Board Committees.

- In order to improve the level of information transparency of the Company, in 2024 the Board of Directors approved, for the first time, the annual report on its proceedings covering the activities it carried out in 2023. Although not mandatory, the report was drawn up considering the recommendations of CNMV's Technical Guides on audit committees at public interest entities and on nomination and remuneration committees.

Last, proof of the robustness of its corporate governance system is that in 2024, Inditex obtained AENOR Good Corporate Governance Index Certification (with the highest possible score).

- With regard to progress in the field of **Compliance**, different projects and initiatives were rolled out in the year, among which the following are noteworthy.

– **Code of Conduct and global campaign**: in February 2024, the Board of Directors, following a report from its committees and the participation of the Social Advisory Board, approved the new version of the Code of Conduct. Throughout the year, an ambitious **global campaign on the Code of Conduct** has been carried out with the aim of bringing the culture of ethics and Compliance to all the people in the Group. It has consisted of communication and awareness-raising, acceptance and training actions.

1) Communication and awareness: the Code of Conduct was made available to everyone in the Group on INET in 34 languages. A global news item was launched on the intranet (INET) and received the highest number of likes (3,457) during the year. An information page on the Code of Conduct was published in the 'Ethical and Responsible Culture' section of INET, which has received 61,043 visits. The information space on INET dedicated to Compliance was updated and has accumulated 65,466 visits. A corporate video launching the Code was shown in all stores and work centres. Informative posters with a QR code about the Code of Conduct and the Ethics Line were published in stores and work centres. On our corporate website (www.inditex.com), in the 'Ethical Commitment' section, the Code of Conduct was published for all our stakeholders, which has received 31,011 visits.

2) Acceptance: specific actions have been carried out through INET to obtain acceptance of the Code of Conduct by all the people in the Group, activating a pop-up message in the INET app with access to the Code of Conduct in pdf format, for reading and acceptance. Thanks to this campaign, the Code has been accepted by 97% of the Group's employees.

3) Training: during the Code training campaign, the Compliance team has carried out various sessions presenting the Code to the Group's administrative and management bodies, which demonstrates their solid commitment as well as that of the senior management to the implementation of the Code, a fundamental element of a robust Compliance model. In this regard, the sessions held before the Management Committee, the Board of Directors and the Social Advisory Board stand out, as well as the internal presentation of results, broadcast live (via streaming) to everyone in the Group and led by the Group's Chair and CEO, in which the update of the Code was also presented and the message ('*Tone from the top*') that our people should be guided by a strong ethical commitment and by the principles of action reflected in the Code was underscored. In addition, the Code was presented to the management of all markets, brands and corporate areas, emphasising the importance of complying with the Code and reinforcing the culture of ethics and Compliance among their respective teams.

4) Training for all our people: a mandatory e-learning course on the Code of Conduct was made available on *Tra!n* (training platform), with a version accessible to people with disabilities. This course covers the guidelines for action that the Company expects from its employees, based on the principles of respect, honesty and integrity, transparency and responsibility. This training covers, among other things, the Ethics Line and its main guarantees and the prevention of corruption and bribery. The launch of this course was communicated with a global news item on INET that has received 8,978 visits. The course has been completed by 91% of our people.

5) Specific training for team leaders and members of the Human Resources team: in addition to the above, training has been provided to team leaders, members of the Human Resources department and Compliance Officers from Headquarters, brands and key subsidiaries, due to their fundamental role in promoting the corporate ethical culture and their greater exposure to certain Compliance risks. The training was designed and adapted to the specific characteristics of these groups, emphasising the sections of the Code of Conduct that deal with our integrity, covering subjects such as the prevention of bribery and corruption, the management of gifts and invitations, the management of conflicts of interest and the Ethics Line. 2,690 people have received this specific training (face-to-face and/or hybrid).

– **Review of internal regulations**: further to the update of the Code, legal requirements, good practice and the Group's operations, a major review of the Group's internal regulations has been carried out. In addition to the Code of Conduct, the Articles of Association, the Regulations of the General Meeting of Shareholders, 9 policies and 1 procedure and other internal corporate regulations of lesser rank or local scope have been approved or amended. The corporate policies that have been amended by the Board of Directors are: the Human Rights Policy, the Gifts and Invitations Policy, the Conflicts of Interest Policy, the Internal Regulations Policy, the Criminal Risk Prevention Policy (Spain), the Policy on Representatives and Attorneys of Group companies and the Enterprise Risk Management Policy. In addition, the Board has approved the new Policy on Public Policy and the Ecosystems and Biodiversity Policies. To facilitate access to and knowledge of all these policies, communication and awareness-raising actions have been carried out among the people of the Group with the publication and sending of newsletters about them. Most of these regulations are also available at www.inditex.com.

– **Ethics Line**: as a result of the aforementioned communication and training actions regarding the Code of Conduct, all the people in the Group are now more aware of the existence of the Ethics Line and the Ethics Committee and how they work. Furthermore, the adaptation of the Ethics Line to the different national transpositions of Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law has been finalised, including, among other things, the protection of personal data and the rights of users of the reporting mechanisms. Furthermore, in line with best practices, the Group has a tool provided by an external supplier that allows for the more efficient reception and management of concerns received at the Ethics Line. This tool is accessible 24/7 in 22 languages.

– **Global Compliance Model**: in addition to the aforementioned amendments to the Criminal Risk Prevention Policy, the Group's Global Compliance Model has continued to be strengthened during the year. In 2024, the corporate taxonomy of Compliance risks has been developed and the methodology for evaluating them has been revised, in accordance with the Group's operations, legal requirements and good practices in the field.

- As regards progress in the area of **Diversity and Inclusion**, in financial year 2024, progress has continued to be made in this field in different areas. The corporate purpose at Inditex, '*We design opportunities for everyone*', has once again been the driving force behind all the initiatives that have reflected the Company's solid commitment to diversity, equality and inclusion.

  The integration of people with disabilities has been one of the main priorities this year through the '*INcluye*' programme, our social and labour inclusion engine that aims for the direct and sustainable employability of people with different types of disabilities. For the first time, the threshold of 3,000 people with disabilities working in the Company globally has been exceeded. This effort has not only allowed us to fulfil our commitment to double the number of people with disabilities, but also to exceed 3,100 people by the end of 2024 (1,443 people as at 31 January 2022), representing 2% of the average annual workforce. In this context, October 2024 saw the celebration, for the fifth consecutive year of '*Impact Week*', a week dedicated to disability inclusion, with the participation of the vast majority of subsidiaries, headquarters and logistics centres.

  Likewise, the '*I Am Proud*' initiative has been developed, thus reinforcing our commitment to the creation of safe, inclusive and discrimination-free workspaces for all.

Within our socio-ethnic inclusion pillar, the '*SALTA*' programme has been once again as a driving force for the employment of people in vulnerable situations. In 2024 *SALTA* has been launched in Australia, the Czech Republic and Switzerland, joining France, Spain, Italy, Portugal, Poland, Brazil, the United States, the United Kingdom, Germany, Mexico, Greece, South Korea, Türkiye, Romania, India, Kazakhstan, Canada and Croatia, for a total of 21 markets. Over the last 16 years, more than 1,900 people have had the opportunity to enter the labour market in the Inditex Group's stores, logistics centres and offices, and more than 4,000 people have participated in mentoring, training and support programmes.

Raising awareness of diversity and inclusion issues has also been key this year, with the expansion of the catalogue of e-learning courses available on the specific D&I Channel in '*Tra!n'* training platform. In 2024, more than 49,000 people worldwide have completed the training on disability inclusion, adding to the 130,000 people who have already accessed the course on general aspects of diversity and inclusion since its launch in 2023 and who give internal visibility to the Group's D&I Policy.

The role of 'Diversity Champions' has also been strengthened. These individuals are present in all the Group's markets and brands, and act as internal ambassadors for the diversity policy and strategy, helping to implement initiatives locally and adapting them to the needs of each market.

In short, financial year 2024 has been a year that has allowed the Company to continue reinforcing the values of respect, equality and non-discrimination that promote a strong commitment to our inclusive culture and a sense of belonging to our Company in our people.

Therefore, on the proposal of the Remuneration Committee, the Board of Directors resolved an overall payout level of the annual variable remuneration for financial year 2024 for the CEO equivalent to 122.7% of target, i.e. €3,680 thousand (147.2% of his annual fixed remuneration).

- **Multi-year or Long-term variable remuneration:**

On 31 January 2025 the second cycle (2022-2025) of the 2021-2025 Long-Term Incentive Plan, approved at the Annual General Meeting on 13 July 2021, came to an end.

The features and amounts for the second cycle (2022-2025) are set out below:

- This cycle began on 1 February 2022 and ended on 31 January 2025.
- The amount of the maximum incentive granted to the CEO inr the second cycle (2022-2025) was as follows:

Maximum Incentive	=	Cash	+	Shares
133% of fixed remuneration		€1,331 thousand		71,472 shares

- The metrics to which this cycle is tied, and their weightings, are the following:

Weighting	Target	Performance criteria
25%	Profit before Taxes ("PBT")	PBT figure for FY2024, expressed in euros, relative to the amount set by the Board of Directors as a target at the beginning of the second cycle.
25%	Store and Online Sales ("TTTT" (*Spanish acronym*))	Amount in euros of total store and online sales in FY2024 in constant currency, according to the Company's information, relative to the amount set by the Board of Directors as a target at the commencement of the second cycle.
12.5%	Absolute Total Shareholder Return ("TSR")	Performance of an investment in Inditex shares over the period of the second cycle, determined by the ratio (expressed as a percentage) between the final value of a hypothetical investment in Inditex shares (reinvesting the dividends from time to time) and the initial value of that same hypothetical investment. The initial value is defined as the average weighted share price on the 30 trading days immediately prior to 1 February 2022 (exclusive) (€27.93), and the final value is defined as the average weighted share price on the 30 trading days immediately prior to 31 January 2025 (inclusive). To this end, for calculating such final value, the dividends or other similar amounts received by shareholders on said investment during the respective period of time will be considered, as if the gross amount thereof (before taxes) would have been reinvested in more shares of the same class on the first date on which the dividend or any similar amount is payable to shareholders and at the closing share price on that date. The TSR achieved will be measured against the target set by the Board of Directors at the commencement of the second cycle.
12.5%	Relative Total Shareholder Return ("TSR")	Performance of an investment in Inditex shares compared to the performance of an investment in a Peer Group (as defined below) over the period of the second cycle, determined by the difference (by subtraction) between Inditex's annualised TSR and the annualised TSR of this Peer Group. In order to calculate the performance of the investment in shares of Inditex and of each company in the Peer Group, we determine the quotient (expressed as a percentage ratio) between the final value of a hypothetical investment in shares (reinvesting the dividends from time to time) and the initial value of that same hypothetical investment. The initial value is the average weighted share price of each company on the 30 trading days immediately prior to 1 February 2022 (exclusive) (the "Initial Value"). The final value is the average weighted share price of each company on the 30 trading days immediately prior to 31 January 2025 (inclusive) (the "Final Value"). To this end, for calculating such Final Value, the dividends or other similar amounts received by shareholders on said investment during the respective period of time will be considered, as if the gross amount thereof (before taxes) would have been reinvested in more shares of the same class on the first date on which the dividend or any similar amount is payable to shareholders and at the closing share price on that date.
25%	Sustainability index (comprising 4 indicators)	(i) Fibre consumption: measured as the reduction in percentage points of the weight of conventional fibres in total fibre consumption (in t), for the four fibres subject to a public commitment (cotton, polyester, man-made cellulosic fibres and linen). (ii) Water consumption: measured as the percentage reduction of water consumption (litre/kg) in the supply chain. (iii) Decarbonisation: measured as the percentage reduction in the volume of Scope 3 Greenhouse Gas emissions in the category "purchased goods and services". (iv) Social: measured as the percentage of suppliers of Inditex products that are classified with social ranking A and B.

For the purpose of calculating the payout ratio attained for each level of achievement of targets, a **performance scale** was determined for each metric at the commencement of the cycle, which includes a minimum threshold below which no incentive is paid, corresponding to a payout ratio of 30% of the maximum incentive granted, and a maximum level, corresponding to a payout ratio of 100% of the Maximum Incentive Granted. For intermediate levels, the results shall be determined by linear interpolation.

- PBT, TTTT, absolute and relative TSR will be measured:

Level of achievement	Level of Incentive (% of Maximum Incentive)
Below minimum	0%
Minimum	30%
Maximum	100%

- Regarding the evolution of relative TSR:

  The Peer Group consists of 14 competitors in the textile industry whose share price can be potentially impacted by external factors similar to Inditex's, as shown below: Nike, Fast Retailing, Lululemon Athletica, Adidas, H&M, Associated British Foods, VF Corporation, Burberry, Next, Puma, Zalando, JD Sports Fashion, Ralph Lauren Corporation and Hugo Boss.

  The following will be calculated at the end of the cycle:

  - Inditex's TSR and the TSR of each company in the Peer Group for the 2022-2025 period.
  - The arithmetic mean of the TSR of each company, resulting in the average TSR for the Peer Group.
  - Inditex's annualised TSR and the annualised TSR of the Peer Group.

  Next, the difference (by subtraction) between Inditex's annualised TSR and the annualised TSR of the Peer Group will be calculated. This difference will be compared against the target set by the Board of Directors at the beginning of the second cycle and a payout ratio, ranging from 0% to 100% of the Maximum Incentive Granted, will be applied in accordance with the specified scale.

- Regarding the sustainability index: the Remuneration Committee evaluates the four indicators above referred combined based upon the results achieved, disclosed by the Company's Sustainability Department, in accordance with the following performance scales defined for each of them:

– Indicator no. 1: Fibre consumption: measured as the reduction in percentage points of the weight of conventional fibres on total fibre consumption (in t), for the four fibres subject to a public commitment (cotton, polyester, man-made cellulosic fibres and linen):

Reduction of conventional fibres	Level of Incentive (% of maximum incentive)
> -25%	0 %
-25%	30 %
≤ -34%	100 %

– Indicator no. 2: Water consumption: measured as the percentage reduction in water consumption (litre/kg) in the supply chain:

Reduction of water consumption	Level of Incentive (% of maximum incentive)
> -8 %	0%
-8 %	30%
≤ -11 %	100%

– Indicator no. 3: Decarbonisation: measured as the percentage reduction in the volume of Scope 3 Greenhouse Gas emissions in the category "purchased goods and services":

Ratio of GHG emissions at the end and start date of the 2022-2025 cycle	Level of Incentive (% of maximum incentive)
> -1 %	0 %
-1%	30 %
≤ -8,5 %	100 %

– Indicator no. 4: Social: measured as the percentage of suppliers of Inditex products that are classified with social ranking A and B:

Percentage of suppliers ranked A and/or B in their social audits (average of the 3 years of the 2022-2025 cycle)	Level of Incentive (% of maximum incentive)
< 88 %	0 %
88 %	30 %
≥ 95 %	100 %

The incentive will be delivered within the calendar month following the publication of the 2024 annual accounts.

In order to determine the level of achievement reached and the resulting level of payment, at its meeting held on 11 March 2025 and on the proposal of the Remuneration Committee, the Board of Directors has taken into account the following results:

- Total Sales in financial year 2024 in constant currency amounted to €45.498 billion. This result is significantly above the maximum achievement scenario set at the beginning of the cycle. Therefore, the payment level corresponding to the achievement level of this metric is 100%.
- The Group's PBT in financial year 2024 was €7.577 billion. This result is significantly above the maximum achievement scenario set at the beginning of the cycle. Therefore, the payment level corresponding to the achievement level of this metric is 100%.
- Inditex's absolute TSR in the 2022-2025 period was 100.02%. As a result, the achievement level of this metric and its corresponding level of payment is 100%.
- Inditex's stock price has appreciated 76.8% in the performance and vesting period of the cycle (2022-2025), going from €27.93 per share at the beginning of the cycle (average of the 30 trading days before 1 February 2022) to €49.37 per share at the end thereof (average of the 30 trading days before 31 January 2025).
- With regard to relative TSR, Inditex's annualised TSR was 26.4% higher than the annualised Peer Group's TSR. Therefore, the achievement level of this metric is 100%.

- Regarding the sustainability index:

(i) The weight of conventional fibres in 2024 on total fibres consumption (in t), for the four fibres subject to public commitment (cotton, polyester, man-made cellulosic and linen) has been reduced by 40.2%. This result is above the maximum achievement scenario set at the beginning of the cycle.

(ii) Water consumption in the supply chain has been reduced by 17.7% at 31 January 2025. This result is above the maximum achievement scenario set at the beginning of the cycle.

(iii) The percentage reduction of the volume of Scope 3 GHG emissions in the category "purchased goods and services" from 1 February 2022 to 31 January 2025 has reached 1.4%. This entails an 8% reduction since 2018, the baseline of this public commitment. This result is above the minimum achievement scenario set at the beginning of the cycle.

(iv) The percentage of suppliers of Inditex products rated A or B in social ranking has exceeded 96.4% in the average of the three years of the cycle. This result is above the maximum achievement scenario set at the beginning of the cycle.

Consequently, the result of the sustainability index as a whole is above the maximum achievement scenario set at the beginning of the cycle. Therefore, the payment level corresponding to this metric's level of achievement stands at 100%.

The Remuneration Committee has assessed the results with a full view of the achievements in the second cycle period to ensure that the level of pay is consistent with them, carrying out an appropriate balance between the Company's performance and the protection of shareholders' interests.

Based on this analysis, the Remuneration Committee resolved an overall payment level of 100% of the incentive granted in the maximum achievement scenario, which is the result of applying the mechanics of the Plan and is considered to be consistent with the achievements attained.

On the proposal of the Remuneration Committee, the Board of Directors resolved the following incentive amounts for the CEO:

- A cash incentive of €1,331 thousand.
- A share incentive equivalent to 71,472 shares.

The increase in the CEO's overall remuneration versus the previous year is primarily due to the increase in the long-term variable remuneration as a result of the following:

(i) The number of shares of the 2022-2025 cycle being settled covers three accrual years (FY2022, FY2023 and FY2024) and includes, for the first time, the amount assigned for the position of CEO in the three years, while the first cycle (2021-2024) of this same Plan, vested in 2023 and settled in 2024 included the total incentive granted for the full cycle taking into account the different positions held by the CEO, i.e., for the performance of his duties as General Counsel and Secretary of the Board in the first year of the performance period and as CEO in the last two years of such period.

(ii) The 76.8% appreciation of Inditex stock price in the cycle's performance period, above mentioned; and,

(iii) In accordance with the yardstick followed by the Company, the share price considered to quantify the part of incentive released in shares corresponds to the share price at the close of trading on the last trading day of the week before the meeting of the Board of Directors during which the level of achievement of the cycle in question is assessed and approved. Inditex stock price that was considered for the settlement of the first cycle (2021-2024) of the 2021-2025 LTIP (which was reported in the 2023 Annual Report on Remuneration of Directors) was €40.67 versus the €50.42 reached on 7 March 2025 taken as a reference for the settlement of the second cycle (2022-2025) of the 2021-2025 LTIP.

B.4. Report on the result of the advisory say-on-pay vote at the Annual General Meeting on remuneration in the previous year, indicating the number of votes in favour, votes against, abstentions and blank ballots:

The Annual Report on the Remuneration of Directors for 2023 was submitted to an advisory say-on-pay vote at the Annual General Meeting on 9 July 2024, as agenda item number 8, with the following outcome:

	Number	% of total
Votes cast	2,794,006,948	89.65 %

	Number	% cast
Votes against	46,170,533	1.66 %
Votes in favour	2,737,824,023	98.34 %
Abstentions	10,012,392	0.00 %

B.5. Determination of the fixed components accrued and vested during the year by the directors in their capacity as such, and their change with respect to the previous year.

To determine the remuneration accrued by the directors in their capacity as such in 2024, the amounts fixed in the Directors' Remuneration Policy for financial years 2024, 2025 and 2026 have been considered. These amounts have been applied since the resolution passed at the Annual General Meeting held on 19 July 2011, except for the position of non-executive Chair of the Board of Directors, which was created in financial year 2022. The different items and amounts have been detailed in section A.1.7. above.

Pursuant to the foregoing, and based on the current composition of the board of directors and its committees, in 2024 the total amount accrued by the directors in their capacity as such for the performance of supervisory and collegiate decision-making duties amounted to €3,133 thousand, of which €100,000 correspond to the CEO, Mr Óscar García Maceiras, who held the position of director throughout financial year 2024.

B.6. Determination of the salaries accrued and vested by each of the executive directors over the past financial year for the performance of management duties, and their change with respect to the previous year.

The fixed remuneration accrued by the CEO for senior management duties in financial year 2024 totalled €2,500 thousand, as established in the Directors' Remuneration Policy for financial years 2024, 2025 and 2026, following its approval at the 2023 AGM and subsequent entry into force on 1 February 2024.

Payments were made in 14 instalments and entirely in cash.

The total amount accrued by the CEO in financial year 2024 as fixed salary totalled €2,500 thousand, the same amount as in 2023.

B.7. Nature and main characteristics of the variable items of the remuneration systems accrued in the year ended.

A detailed breakdown of annual variable remuneration and long-term incentive plans is provided in sections A.1. and B.3. of this Report.

B.8. Reduction or return (clawback) of certain variable components, and, where appropriate, amounts reduced or clawed back, grounds for reduction or clawback and years to which they refer.

No such proceedings have taken place in 2024.

B.9. Main characteristics of the long-term savings systems.

In financial year 2024 Inditex has made no contributions to the defined contribution pension schemes.

B.10. Severance pay or any other type of payment deriving from early cessation, accrued and/or received by directors during the year ended.

As at the date of this Report , no such remuneration has been accrued by any director.

B.11. Significant changes in the contracts entered into with executive directors.

In financial year 2024 the CEO's contract has not been subject to any changes.

B.12. Any supplementary remuneration accrued by directors in consideration of the provision of services other than those inherent in their position.

No supplementary remuneration other than the one explained above is provided in the Remuneration Policy.

As at the date of this Report, no supplementary remuneration has been accrued by the directors in consideration for the provision of services other than those inherent in the position.

B.13. Any remuneration deriving from advance payments, loans or guarantees granted.

The granting of advance payments, loans or guarantees to directors is not covered in the Remuneration Policy.

As at the date of this Report, no advance payment, loans or guarantees have been granted to any director.

B.14. Remuneration in kind accrued by the directors over the year.

No remunerations in kind exist.

B.15. Remuneration accrued by directors by virtue of payments settled by the listed company to a third company at which the director renders services when these payments seek to remunerate the director's services to the company.

As at the date of this Report, no such remuneration has been accrued by any director.

B.16. Any other items of remuneration other than those mentioned in the previous sections.

As at the date of this Report, no additional items of remuneration other than the ones mentioned in the previous sections are provided in the remuneration system for directors.

C. Statistical Appendix III to the annual report on the remuneration of directors of listed public companies (CNMV's Circular 2/2018, of 12 June), corresponding to Industria de Diseño Textil, S.A.

ISSUER IDENTIFICATION

Ending date of reference period: 31/01/2025

CIF: A-15075062

Company name: Industria de Diseño Textil, S.A. (Inditex, S.A.)

Registered office: Avenida de la Diputación, Edificio Inditex, Arteixo (A Coruña)

Statistical appendix to the annual report on remuneration of directors of listed public companies

B. OVERALL SUMMARY OF HOW REMUNERATION POLICY HAS BEEN APPLIED DURING THE YEAR ENDED

B.4. Report on the result of the advisory say-on-pay vote at the Annual General Meeting on the annual remuneration report for the previous year, stating the number of votes against that may have been cast:

	Number	% of total
Votes cast	2,794,006,948	89.65 %

	Number	% cast
Votes against	46,170,533	1.66 %
Votes in favour	2,737,824,023	98.34 %
Abstentions	10,012,392	0.00 %

C. ITEMIZED INDIVIDUAL REMUNERATION PAYABLE TO EACH DIRECTOR

Name	Type	Accrual period 2024
Ms Marta Ortega Pérez	Proprietary	From 01/02/2024 to 31/01/2025
Mr José Arnau Sierra	Proprietary	From 01/02/2024 to 31/01/2025
Mr Óscar García Maceiras	Executive	From 01/02/2024 to 31/01/2025
Mr Amancio Ortega Gaona	Proprietary	From 01/02/2024 to 31/01/2025
Ms Flora Pérez Marcote	Proprietary	From 10/07/2024 to 31/01/2025
Mr José Luis Durán Schulz	Independent	From 01/02/2024 to 31/01/2025
Mr Rodrigo Echenique Gordillo	Independent	From 01/02/2024 to 31/01/2025
Bns. Denise Patricia Kingsmill	Independent	From 01/02/2024 to 31/01/2025
Ms Pilar López Álvarez	Independent	From 01/02/2024 to 31/01/2025
Ms Belén Romana García	Independent	From 09/07/2024 to 31/01/2025
Pontegadea Inversiones, S.L. (represented by Ms Flora Pérez Marcote)	Proprietary	From 01/02/2024 to 9/07/2024
Ms Anne Lange	Independent	From 01/02/2024 to 14/07/2024

C.1. Complete the following tables regarding the individual remuneration of each director (including the remuneration paid for performing executive functions) payable in the financial year.

a) Remuneration from the reporting company:

i) Remuneration in cash (in thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total year 2024	Total year 2023
Ms MARTA ORTEGA PÉREZ	1,000	-	-	-	-	-	-		1,000	1,000
Mr JOSÉ ARNAU SIERRA	180	-	200	-	-	-	-		380	380
Mr ÓSCAR GARCÍA MACEIRAS	100		-	2,500	3,680	1,331			7,611	7,533
Mr AMANCIO ORTEGA GAONA	100	-	-	-	-	-	-	-	100	100
Ms FLORA PEREZ MARCOTE	56	-	-	-	-	-	-	-	56	-
Mr JOSÉ LUIS DURÁN SCHULZ	100	-	200	-	-	-	-	-	300	300
Mr RODRIGO ECHENIQUE GORDILLO	100	-	200	-	-	-	-	-	300	300
BNS. DENISE PATRICIA KINGSMILL	100	-	200	-	-	-	-		300	300
Ms PILAR LÓPEZ ÁLVAREZ	100	-	172	-	-	-	-	-	272	300
Ms BELÉN ROMANA GARCÍA	56	-	112	-	-	-	-	-	168	-
Ms ANNE LANGE	45	-	68	-	-	-	-	-	113	250
PONTEGADEA INVERSIONES, S.L. (represesented by Ms. Flora Pérez Marcote)	44	-	-	-	-	-	-	-	44	100

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

		Financial instruments at start of FY2024		Financial instruments granted in FY2024		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of FY2024	
Name	Name of Plan	No. instruments	No. equivalent shares	No. instruments	No. equivalent shares	No. instruments	No. equivalent/ vested shares	Price of vested shares	Gross Profit from vested shares or financial instruments (thousands of euros)	No. instruments	No. instruments	No. equivalent shares
Mr ÓSCAR GARCÍA MACEIRAS	Second cycle (2022-2025) of the 2021-2025 LTIP	71,472	71,472			71,472	71,472	50.42	3,604	0		
Mr ÓSCAR GARCÍA MACEIRAS	First cycle (2023-2026) of the 2023-2027 LTIP	75,045	75,045								75,045	75,045
Mr ÓSCAR GARCÍA MACEIRAS	Second cycle (2024-2027) of the 2023-2027 LTIP			51,502	51,502						51,502	51,502

iii) Long-term savings systems

Name	Remuneration from vesting of rights to savings system (€ thousand)
No data	

	Contribution over the year from the company (€ thousand)				Amount of accrued funds (€ thousand)			
	Savings systems with vested economic rights		Savings systems with non-vested economic rights		FY 2024		FY 2023	
Name	FY2024	FY 2023	FY 2024	FY 2023	Systems with vested economic rights	Systems with non-vested economic rights	Systems with vested economic rights	Systems with non-vested economic rights
No data								

iv) Details of other items

Name	Concept	Amount of remuneration
No data		

b) Remuneration paid to the company's directors for serving on the boards of other group companies:

i) Remuneration in cash (in thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total FY 2024	Total FY 2023
No data										

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

	Name of Plan	Financial instruments at start of FY2024		Financial instruments granted in FY2024		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of FY2024	
Name		No. instruments	No. equivalent shares	No. instruments	No. equivalent shares	No. instruments	No. equivalent/ vested shares	Price of vested shares	Gross profit from vested shares or financial instruments (€ thousand)	No. instruments	No. instruments	No. equivalent shares
No data												

iii) Long-term savings systems

Name	Remuneration from vesting of rights to savings systems
No data	

Name	Contribution over the year from the company (thousands of euros)				Amount of accrued funds (thousands of euros)			
	Savings systems with vested economic rights		Savings systems with non-vested economic rights		FY 2024		FY 2023	
	FY 2024	FY 2023	FY 2024	FY 2023	Systems with vested economic rights	Systems with non-vested economic rights	Systems with vested economic rights	Systems with non-vested economic rights
No data								

iv) Details of other items

Name	Concept	Amount of remuneration
No data		

c) Summary of remuneration (in thousands of euros):

This summary should include the amounts corresponding to all the remuneration items included in this report that have accrued to each director (in thousands of euros) .

Name	Remuneration accrued in the company					Remuneration accrued in group companies				
	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration by way of savings systems	Other items of remuneration	Total FY2024 company	Total cash remuneration	Gross profit from vested shares or financial instruments	Remuneration by way of savings systems	Other items of remuneration	Total FY2024 group
Ms MARTA ORTEGA PÉREZ	1,000				1,000					0
Mr JOSÉ ARNAU SIERRA	380				380					0
Mr ÓSCAR GARCÍA MACEIRAS	7,611	3,604			11,215					0
Mr AMANCIO ORTEGA GAONA	100				100					0
Ms FLORA PÉREZ MARCOTE	56				56					0
Mr JOSÉ LUIS DURÁN SCHULZ	300				300					0
Mr RODRIGO ECHENIQUE GORDILLO	300				300					0
BNS. DENISE PATRICIA KINGSMILL	300				300					0
Ms PILAR LÓPEZ ÁLVAREZ	272				272					0
Ms BELÉN ROMANA GARCÍA	168				168					0
Ms ANNE LANGE	113				113					0
PONTEGADEA INVERSIONES, S.L. (REPRESENTED BY Ms. FLORA PÉREZ MARCOTE)	44				44					0
TOTAL	**10,644**	**3,604**	**0**	**0**	**14,248**	**0**	**0**	**0**	**0**	**0**

C.2. State the development over the last 5 years of the amount and the percentage change in the remuneration earned by each of the listed company's directors who have been directors during the year, the consolidated results of the company and the average remuneration on a full-time equivalent basis of the employees of the company and its subsidiaries who are not directors of the listed company.

	Total amounts accrued and annual variation								
	FY 2024	Percentage variation 2024/2023	FY2023	Percentage variation 2023/2022	FY 2022	Percentage variation 2022/2021	FY 2021	Percentage variation 2021/2020	FY 2020
Executive Directors (€ thousand)									
Mr ÓSCAR GARCÍA MACEIRAS	11,215	8.66 %	10,321	23.25 %	8,374	-	746	-	-
Non-executive Directors									
Ms MARTA ORTEGA PÉREZ	1,000	0.00 %	1,000	19.90 %	834	-	-	-	-
Mr AMANCIO ORTEGA GAONA	100	0.00 %	100	0.00 %	100	0.00 %	100	0.00 %	100
Mr JOSÉ ARNAU SIERRA	380	0.00 %	380	0.00 %	380	0.00 %	380	0.00 %	380
PONTEGADEA INVERSIONES, S.L. (REPRESENTED BY MS. FLORA PÉREZ MARCOTE)	44	(56.00)%	100	0.00 %	100	0.00 %	100	0.00 %	100
BNS. DENISE PATRICIA KINGSMILL	300	0.00 %	300	0.00 %	300	0.00 %	300	0.00 %	300
Mr JOSÉ LUIS DURÁN SCHULZ	300	0.00 %	300	7.91 %	278	11.20 %	250	(8.42)%	273
Mr RODRIGO ECHENIQUE GORDILLO	300	0.00 %	300	0.00 %	300	0.00 %	300	0.00 %	300
Ms PILAR LÓPEZ ÁLVAREZ	272	(9.33)%	300	0.00 %	300	0.00 %	300	8.30 %	277
Ms ANNE LANGE	113	(54.80)%	250	0.00 %	250	0.00 %	250	0.00 %	250
Ms FLORA PÉREZ MARCOTE	56	-	-	-	-	-	-	-	-
Ms BELÉN ROMANA GARCÍA	168	-	-	-	-	-	-	-	-
Consolidated results of the company (€ million)	7,577	10.29 %	6,870	28.22 %	5,358	27.60 %	4,199	199.71 %	1,401
Average employee remuneration (€ thousand)	**38**	**5.56 %**	**36**	**9.09 %**	**33**	**10.00 %**	**30**	**30.43 %**	**23**

This annual remuneration report has been approved by the Board of Directors of the Company at the meeting held on 11 March 2025.

State whether any director has voted against or abstained from approving this Report.

Yes ☐ No ☒

Name or company name of the member of the board of directors who has not voted for the approval of this report	Reasons (against, abstention, non-attendance)	Explain the reasons