

ITX CANADA LTD. – MODERN SLAVERY REPORT (CANADA)

This modern slavery report (the “**Report**”) has been prepared in compliance with the *Fighting Forced Labour and Child Labour in Supply Chains Act (Canada)*. This Report is made on behalf of ITX Canada Ltd. (“**ITX Canada**”) and addresses the period from 1 February 2024 to 31 January 2025 (referred to in the Report as the year “**2024**”).

This Report sets out the steps ITX Canada has taken to prevent and reduce the risk that forced labour or child labour is used at any step in the production of goods in Canada or elsewhere by ITX Canada or of goods imported into Canada by ITX Canada.

ITX Canada is a wholly owned subsidiary of Industria de Diseño Textil, S.A. (Inditex, S.A.) (hereinafter, “**Inditex**”), a Spanish public company listed on the Madrid stock exchange and headquartered in Arteixo, Galicia, Spain. Inditex and its subsidiaries (the “**Inditex Group**”) is a global fashion, design, distribution and retail company with customers across more than 210 markets. The Inditex Group is a family of several commercial brands: Zara, Pull&Bear, Massimo Dutti, Bershka, Stradivarius, Oysho and Zara Home.

Inditex is fully committed to respecting, promoting and protecting human rights across its entire value chain, and this is integrated throughout the business model. Inditex does not tolerate any form of modern slavery or human trafficking in its organization or in its supply chain and pledges to play an active role in promoting human rights and proactively work towards respecting them. As a member of the Inditex Group, ITX Canada must follow Inditex’s human rights due diligence policies and practices.

1. STRUCTURE, ACTIVITIES AND SUPPLY CHAIN

Structure & Activities

ITX Canada is incorporated in New Brunswick, Canada, with corporate headquarters in Montreal, Quebec, Canada, and does business in Canada as Zara, Pull&Bear, Massimo Dutti, Bershka, Stradivarius, and Zara Home. As of the fiscal year-end 2024 (ending January 31, 2025), ITX Canada operated 34 stores, employed 2,052 staff members, and had 306 active direct suppliers across Canada.

ITX Canada, as a member of the Inditex Group, is fully committed to respecting, promoting and protecting human rights across its entire value chain. ITX Canada rejects any form of modern slavery or human trafficking in its organization or in its supply chain and pledges to play an active role in promoting human rights and proactively work towards respecting them.

Alliances and Partnerships

Inditex is engaged in numerous initiatives and partnerships that support its commitment to the elimination of forced and child labour in its supply chains. For example:

- Since 2005, Inditex has been a member of the Ethical Trading Initiative (“**ETI**”), a leading alliance of companies, international trade unions, and non-governmental organizations, which utilizes a dialogue platform to improve working conditions of workers.
- One of Inditex’s most significant relationships is with the international trade union federation, IndustriALL, with which Inditex signed a Global Framework Agreement in 2007 and renewed it first in 2014 and then 2019. As part of the agreement, Inditex provides IndustriALL with a list of Inditex’s manufacturers and their level of compliance with Inditex policies. IndustriALL and its affiliates are also given reasonable access to production centres.

- In 2009, Inditex and UNI Global Union (“**UNI**”) signed a Global Agreement for implementation of fundamental labour rights and decent work which covers all Inditex Group. UNI is a network of trade unions in the trade and retail sector, which represents more than 20 million workers across 150 countries.
- In 2017, Inditex signed a public-private partnership with the International Labour Organization (“**ILO**”), renewed in 2023, to promote respect for the Fundamental Principles and Rights at Work in cotton-growing communities. Since October 2013, Inditex is also a direct buyer partner of the ILO’s *Better Work Programme*, a platform to improve compliance with the ILO’s core labour standards and national legislation.
- In October 2023, Inditex and the International Apparel Federation (an organization that represents 100,000 manufacturers from more than 40 countries through its member associations) signed a framework agreement aimed at driving a meaningful transformation in the global garment industry, paving the way for the development of projects that seek to improve working conditions, protect the environment, move towards circularity and promote transparency and traceability in the supply chain.
- Inditex is part of Shift’s Business Learning Programme, a leading programme on human rights that involves companies of all sectors willing to work towards implementing the UN Guiding Principles on Business and Human Rights.
- Inditex and the United Nations High Commissioner for Refugees (“**UNHCR**”) have been working together since 2020 with the common goal of meeting the clothing needs of refugees and internally displaced people. Through this strategic partnership, Inditex, in collaboration with its suppliers, supports UNHCR in its task of sheltering refugees who have been forced to abandon their homes and helping to restore their dignity.
- Inditex is part of the Tent Partnership for Refugees, founded by Tent Foundation, a global network of more than 200 companies that seeks to mobilise the private sector to create partnerships to improve the lives of refugees.

Find out more about our commitments and initiatives [here](#).

Supply Chain

ITX Canada distributes products to the Canadian market that are sourced through Inditex Group’s chain. Inditex Group’s supply chain is present globally, organised through 10 clusters of suppliers in Spain, Portugal, Morocco, Türkiye, India, Pakistan, Bangladesh, China, Cambodia and Vietnam. These clusters are spaces for cooperation and dialogue that aim to promote sustainable production environments in each strategic geographic area and in a framework of respect for human and labour rights, although a significant part of the cutting, sewing, dyeing, washing, printing or finishing factories that manufactured its garments in are located in Spain or neighbouring countries like Portugal, Morocco and Türkiye. In 2024 Inditex had 6,615 factories, which include all tiers of its supply chain, in 50 markets and which employed more than three million people.

Management over the Inditex Group’s supply chain is organized by Inditex outside of Canada. As a member of the Inditex Group, ITX Canada follows and reasonably relies upon Inditex’s policies, including its human rights, traceability, auditing and due diligence processes, which are globally implemented across all its suppliers and manufacturers.

Every supplier and factory that makes up the Inditex Group's supply chain is bound to abide by the values and ethical behaviour principles that are central to the Inditex Group. In this regard, the Inditex Group's commitment to the responsible management of its supply chain requires identifying working areas where Inditex Group can contribute to improving the conditions of the industry in each market where it operates. Inditex in turn sets and implements policies that are aligned with human rights and the fundamental labour standards. Inditex also establishes monitoring and direct cooperation tools with its suppliers and takes part in multilateral dialogue with organizations and institutions in the field.

2. POLICIES & DUE DILIGENCE

Policies

As part of the Inditex Group, ITX Canada is fully committed to respecting, promoting and protecting human rights across its entire value chain. Inditex has developed a number of policies that encapsulate its commitment to ensuring the highest standards of human rights are upheld everywhere that it does business. ITX Canada is bound by these policies and practices.

Inditex's Board of Directors is the body responsible for approving Inditex's sustainability strategy. The Board of Directors is supported by the following committees, which oversee and advise the Board on issues related to social and environmental sustainability:

- The Sustainability Committee acts as a consulting and advisory board responsible for monitoring our social and environmental sustainability strategy and practices, including the implementation of the Inditex Group's human rights strategy, as well as fostering a commitment to the Sustainable Development Goals.
- The Audit and Compliance Committee oversees and assesses financial, compliance and non-financial risks, such as those risks arising from the Inditex Group's actions in relation to its social, environmental and other sustainability practices, including risks related to human rights, such as forced labour and child labour.
- The Social Advisory Board advises on sustainability issues and is composed of external independent members, who play a key role in building relationships with stakeholders in the areas where Inditex does business.
- The Ethics Committee aims to ensure compliance with standards of conduct. The Ethics Committee also manages the Ethics Line, a queries and grievance mechanism that reinforces due diligence by helping to identify and remedy any potential negative impact on human rights.

The following Inditex policies specifically aim to prevent the use of forced labour in the Inditex Group's supply chains, some of which are described in greater detail below:

- Human Rights Policy
- Code of Conduct
- Code of Conduct for Suppliers and Manufacturers
- Sustainability Policy
- Sustainability Stakeholder Relations Policy
- Due Diligence Policy
- Policy on Internal Reporting Channels
- Ethics Line Procedure
- Global Anti-Harassment Policy

Human Rights Policy

The Inditex Group respects children's rights and rejects child labour, pursuant to the provisions of ILO Convention 138 and in accordance with the minimum working age under the relevant regulations of each country. Inditex's [Human Rights Policy](#), approved in 2016 and updated in 2024, addresses its engagement with respecting the internationally recognized human rights and outlines the values and principles that guide its business activities in all its spheres of action.

The policy provides that the Inditex Group will not hire any child under the age of 16, unless not doing so would constitute a violation of the applicable local regulations. On the other hand, the Code of Conduct for Manufacturers and Suppliers (discussed below) forbids Inditex Group's suppliers and/or manufacturers from hiring anyone under the age of 16 or higher if the local legislation stipulates a higher minimum age.

The Inditex Group also rejects any form of forced or compulsory labour, as defined in ILO Convention 29. This extends both to the Inditex Group's own employees and its entire supply chain, as well as to any natural and/or legal person related to the Inditex Group. Inditex's Human Rights Policy requires that all manufacturers and suppliers undertake to respect their employees' human and labour rights, and to involve their own business partners in those commitments.

Code of Conduct

Inditex's [Code of Conduct](#) (the "Code") is the document that sets out Inditex's ethical commitments and principles that guide the way in which it does business, both internally and externally with customers, suppliers, shareholders, and the communities in which it operates. The Code applies to the entire Inditex Group, including ITX Canada. Compliance is mandatory for every employee, and for the members of the governing bodies of every company in the Group. The Code specifically rejects the use of any form of forced or compulsory labour, and includes provisions concerning minimum employment age, payment of remuneration, compliance with the ILO Convention on working hours and overtime, and respecting freedom of association and collective bargaining. The Code was approved by the Inditex Board of Directors in 2012 and updated in 2024.

Code of Conduct for Manufacturers and Suppliers

Inditex's [Code of Conduct for Manufacturers and Suppliers](#) is the foundation of Inditex's supplier relations. Approved by the Inditex Board of Directors in 2001 and amended in 2012, it defines minimum standards of ethical and responsible behaviour that must be observed by all of the Inditex Group's suppliers and manufacturers across the supply chain. The Code of Conduct for Manufacturers and Suppliers applies to all manufacturers and suppliers involved in all tiers and processes of the products that the Inditex Group places on the market and is based on the overarching principles that define Inditex's ethical conduct.

Before commencing work for Inditex, all suppliers, in order to be part of the Inditex's supply chain, must first accept and undertake to meet (and to enforce compliance by the facilities they work with) the Inditex Minimum Requirements ("IMRs"). The IMRs include compliance with the Code of Conduct for Manufacturers and Suppliers and the Human Rights Policy, among other policies and standards, which explicitly prohibits slavery and human trafficking, and is based on applicable national laws and international standards in the field, with which our suppliers and manufacturers must comply.

The first section of the [Code of Conduct for Manufacturers and Suppliers](#) provides that: "Inditex shall not allow any form of forced or involuntary labour in their manufacturers and suppliers. They may not require their

employees to make any kind of “deposits”, nor are they entitled to retain employees’ identity documents. Manufacturers shall acknowledge the right of their employees to leave their employer after reasonable notice.”

The [Code of Conduct for Manufacturers and Suppliers](#) also specifies that “aspects related to such limitations will be governed by Conventions 29 and 105 of International Labour Organization (ILO)” and that “Manufacturers and Suppliers shall not employ minors. Inditex defines minors as those persons who have not yet reached their 16th birthday. In cases where local legislation stipulates a higher minimum age, the higher limit shall apply. Persons between the ages of 16 and 18 years will be considered young workers. Young workers shall not work during night hours or in hazardous conditions”.

Aspects of the [Code of Conduct for Manufacturers and Suppliers](#) related to prohibition of child labour were developed according to Conventions 138 and 182 of the ILO.

Sustainability Policy

The [Sustainability Policy](#) addresses the Inditex Group’s commitment to sustainability and defines the principles assumed by the Inditex Group to integrate sustainable practices aligned with the planetary boundaries and respect for human rights and other living beings’ rights, across its business model, its activities and relations with stakeholders. The Sustainability Policy was approved by the Inditex Board of Directors on 9 December 2015 and amended on 4 February 2025.

The Sustainability Policy addresses:

- The Inditex Group’s commitment to Sustainability
- General principles and action lines for integrating sustainable practices throughout the business model and stakeholder engagement
- Commitment to driving a transformation that contributes to the development of a fair and resilient society and a clean, healthy and sustainable environment.

Sustainability Stakeholder Relations Policy

Inditex’s [Sustainability Stakeholder Relations Policy](#) establishes the grounds for managing stakeholder engagement in connection with sustainability. Approved by the Inditex Board of Directors on 4 February 2025, its purpose is to establish a general framework of action that enables Inditex Group to consider the expectations, opinions, inputs and innovations of stakeholders in the Inditex Group’s decision-making process, allowing for the integration of practices aligned with the respect for human rights.

Supply Chain Due Diligence

Due diligence is the process used for identifying potential negative impacts on human rights across the Company’s value chain and their subsequent prioritization, to integrate the findings into the different processes of the Inditex Group. This process is permanently updated to bolster the strategy, in coordination with our stakeholders.

Inditex’s view with respect to the scope of the human rights strategy coincides with that of the UN Guiding Principles. This means identifying and prioritising potential impacts so as to incorporate the findings into our activities, designing tools to prevent and mitigate them, and continuously enriching and complementing these tools.

The creation of these processes involves all the key areas of Inditex, such as Human Resources, Risk Management or Compliance, and they are constantly reviewed and updated.

In line with the principles and criteria for action established in the Code of Conduct for Manufacturers and Suppliers, the Inditex Group is firmly committed to preventing compliance risks from third parties with whom the Inditex Group maintains business relationships.

In this regard, the Due Diligence Policy, approved by the Inditex Board of Directors in September 2019, is designed to align the relationships with our business partners, suppliers and large customers, with the processes described in the international standard ISO 37001 Anti-Bribery Management Systems in organisations, as well as the regulations and the most stringent standards on anti-corruption. The due diligence process regulated by the Due Diligence Policy consists of the identification and analysis of all suppliers, business partners and third parties with whom Inditex engages in business relations, from the perspective of corruption, fraud, international trade sanctions and/or any other risks of a similar nature. Due to its importance, nature and scale, the supply chain is a priority area within the value chain in terms of respecting and promoting workers’ human and labour rights. In this regard, the support and assessment of our suppliers is a core aspect of due diligence in the supply chain, informing our strategies and ensuring workers’ protection and the promotion of their rights.

Comprehensive and effective due diligence concerning human rights in a global supply chain entails policies, tools and robust practices designed to identify, prioritise and mitigate the impacts on people. The Inditex Group has developed a socially sustainable management of its supply chain with a rigorous compliance programme that includes audits, corrective action plans and training, among other measures, accompanied by a strategy that puts ‘Workers at the Centre’. This strategy is based on respect for and promotion of human rights, as well as the creation of social value in the community and the industry.

Although due diligence is a continuous process, the end of the cycle of the Workers at the Centre 2019-2022 strategy provided the ideal framework and context for a profound and systematised reflection to ensure that the new phase of the strategy is based on managing those actual and potential impacts that are of the highest priority.

For this due diligence review process, internal and external sources of information were used, such as surveys, interviews with key partners such as IndustriALL or the ILO, information on the social audits of our suppliers, analysis of legislation, reports on human rights trends and risks, among others.

Inditex has also harnessed its work and relationships in each of its suppliers’ geographic areas. The process, carried out in accordance with the UN Guiding Principles on Business and Human Rights, involved all sustainability areas, local cluster teams and other Company areas. The organisation Shift, a leading centre of expertise on the UN Guiding Principles, has also been involved.

Find out more in the [Inditex Group’s 2024 Statement on Non-Financial Information and Sustainability Information](#) (pages 118 et seq.) and in the specific Human Rights report.

Enhanced Due Diligence

Inditex also carries out enhanced due diligence to identify potential human rights violations that may be especially complex to detect through standard social audits. If Inditex’s due diligence system assesses that a potential breach of its standards exists or identifies any potential human rights risks in its supply chain related to forced or child labour, Inditex may terminate the business relationship and/or block the affected supplier(s). It encompasses a holistic approach to sustainable supply management, which includes stakeholder engagement, capacity building and constant

improvement through various initiatives. Additionally, it involves a thorough analysis of the entire corporate group and commercial relationships of all current and potential new suppliers and manufacturers.

More specifically, Inditex’s enhanced due diligence includes:

- analysing whether third parties are included on sanction lists;
- analysing whether third parties have corporate or commercial ties with sanctioned entities;
- analysis of any mention in reports published by NGOs or other institutions;
- utilizing specialized computer/informational human rights tools;
- utilizing tools to trace global transactions;
- utilizing tools for assessing reputation; and
- conducting isotope testing to evidence the origin of the raw materials used in garment production.

This enhanced due diligence system further assists the Inditex Group to identify potential risks of non-compliance with its standards.

Furthermore, within the framework of the Inditex Group’s human rights strategy and the application of due diligence processes in its value chain, during 2024 the Inditex Group audited a number of the distribution centres the Inditex Group works with, both in Spain and other markets. The procedure is the same as our social audit of the factories in our supply chain. In this regard, the Inditex Group carried out 60 social audits of external distribution centres in 2024.

“Workers at the Centre 2023-2025” strategy

The lessons learned during the implementation of the Workers at the Centre 2019-2022 strategy and the 2022 update of the due diligence exercise, were key in the design of the strategy Workers at the Centre 2023 - 2025.

This phase continues the focus on impact and engagement and places a stronger bias on transformation and development, with a public commitment to reach three million people.

This phase is structured through five Priority Impact Areas (“PIAs”): social dialogue, health, living wages, respect and resilience, and it strengthens the focus on vulnerable groups as direct recipients of the strategy, including women, migrants, people with disabilities or workers involved in the production of raw materials, among others.

Impacts related to the environment and climate change have been included, ensuring a holistic perspective on respect for human rights, and incorporating issues such as migration and climate change, just transition and the future of work. Forced labour, child labour and modern slavery have also been considered and reflected in the due diligence exercise.

Just as in the previous phases, continuous collaboration and dialogue with our stakeholders and with the sustainability teams in clusters remain strategic for developing initiatives, responding to workers’ current needs and, to the extent possible, anticipating future needs.

Each of these PIAs has a general objective and different lines of action, which are materialised through activities and projects on the ground, developed by our in-house teams or together with the local and international organisations with which we collaborate. PIAs develop, support and combine different types of solutions and interventions to pursue their objectives: partnerships, collaborations with different stakeholders, direct interventions with suppliers or community outreach, among others.

All the approaches combine and interweave and, at different paces and scales, contribute to and are part of implementing the strategy.

All identified PIAs are relevant in terms of oversight of the supply chain in the field of forced labour, as they have a special focus on vulnerable groups such as migrants and refugees, women, children or workers in the raw materials supply chain.

Workers at the Centre

The Workers at the Centre 2023-2025 strategy is based on respect for the human rights of the workers in the supply chain. Our goal is to reach three million people by 2025.

Priority Impact Areas



Social dialogue

Facilitating mature industrial relations as a vehicle for a more participative society.

Elements of the strategy



Due Diligence

A continuous process, based on the UN Guiding Principles on Business and Human Rights, allowing us to identify five Priority Impact Areas. These areas are synergetic and interconnected.

 Living wages Setting the conditions for the achievement of Living Wages in the Inditex supply chain	 Transformation Transformation is a slow process and requires the commitment and collaboration of various parties. Our Workers at the Centre strategy connects us to the present and the challenges it poses, without losing sight of our ultimate goal, which is to transform the industry and communities.  Equity approach We make more visible and integrate the needs of the most vulnerable groups, including women, migrants and refugees.  Solutions PIAs develop, support and combine different types of solutions and interventions to pursue their objectives: partnerships, collaborations with different stakeholders, direct interventions with suppliers or community outreach, among others. All the approaches complement each other and, at different paces and scales, contribute to and are part of implementing the strategy.
 Respect Promoting safe and respectful environments, free from discrimination, abuse or harassment.	
 Health Protecting the health and safety of workers in the supply chain, and improving their well-being	
 Resilience Contributing to create preventive, adaptive and transformative capacities for development.	

In particular, the PIA of “Respect” - reaching more than 174,917 people and 369 suppliers in 2024 - works in two lines of action:

Respectful work environments free from any kind of violence and harassment

Inditex carries out activities on an evidence-based approach, aimed at understanding the specific needs in both the workplace and the community to develop solutions to halt violence and harassment. Hence, Inditex fosters a culture of respect as a preventive measure, while at the same time strengthening mitigation and remediation measures as necessary.

The following were the main initiatives carried out in 2024:

- Training on respect and equality (Türkiye)
- Training on the development of zero tolerance policies towards violence (Türkiye)
- Working parent support programme (China)
- EDUCARE project (Morocco)
- Harmony project (Türkiye)
- LGBTI+ Awareness project (Portugal)
- Parwaaz project - Disability management in the workplace (Pakistan)
- RISE Respect project (Bangladesh, India)
- Together Strong project (Türkiye)
- Workplace Adaptation project (Türkiye)

Fair recruitment and employment culture

Providing decent work and using fair recruitment and employment practices are among the key aspects of the Respect PIA. Inditex has a zero-tolerance policy towards child labour and any kind of forced labour. These topics are discussed in Inditex’s Code of Conduct for Manufacturers and Suppliers, which specifies that the employment of children and any form of forced or involuntary labour in our supply chain is not allowed.

Two key tools enable Inditex to work and improve in these areas:

- Continuous human rights due diligence process in the supply chain, which allows Inditex to identify key aspects.
- Various initiatives under the Workers at the Centre strategy, which play a crucial role not only in preventing these situations in the first place, but also in taking the necessary action if any breaches are detected.

Main initiatives in 2024:

- Sowbhagyam project (India).
- Remediation programme for migrant workers (Türkiye).

Find out more in the [Inditex Group’s 2024 Statement on Non-Financial Information and Sustainability Information](#) (pages 246 et seq.) and in the specific report on [Workers at the Centre 2023](#).

Equity focus – how Workers at the Centre tackles most vulnerable groups

Protection of migrant and refugees

The textile industry performs a crucial role when it comes to providing job opportunities to vulnerable groups such as migrants, both from other regions within a country (internal migration) and from other nations, and especially for refugees, such as the Syrian refugees who have reached Türkiye since the start of the Syrian conflict in 2011.

Their special vulnerability requires an approach ranging from measures to prevent, detect and, if appropriate, remedy any instance of forced or unlawful work, to fostering their integration both in the labour market and on a personal level, nurturing peaceful and collaborative environments at the factories in which people from different cultural backgrounds work together, in order to prevent conflict and overcome communication barriers.

A common denominator of our measures and programmes for the protection of migrants and refugees is a special sensitivity for listening, understanding and supporting the specific needs in each context, involving both the workers themselves and specialist organisations, and covering a broad spectrum of topics and types of measures, from prevention and training to remediation.

Inditex aims to raise awareness about the relevance of integrating migrants and refugees into the recipient communities by means of projects and the dissemination of best practices. To this end, Inditex collaborates in four different programmes with the ILO, Support to Life, Association For Social Development and Aid Mobilization, and United Work, respectively.

Zero tolerance for child labour

Inditex is committed to ensuring that its supply chain is free of child labour. Inditex has established a series of policies and actions as a way of prevention, mitigation and remediation. All suppliers and factories are informed about this policy when they start their commercial relationship with Inditex, and compliance includes different approaches that include training, guidance, evaluation and remediation plans.

Specifically, the child labour remediation plan is a mandatory process implemented globally that is activated if a worker is found to be under the age stipulated in our Code. Suppliers and factories are responsible for developing and implementing a series of feasible corrective actions following this communication and for reaching an agreement with the minor and their guardians, which includes providing schooling opportunities for the minor, paying them a living allowance until the age of 16, or employing an adult family member in their place, among other measures, to reduce the likelihood of them returning to work to support their family.

As these plans are implemented, they are continuously monitored by Inditex's internal teams, and external expert organisations may also be brought in to collaborate.

Women

Inditex believes that gender equality is not only a fundamental human right, but also an essential value for the sustainability of the supply chain and for development.

Consequently, for some years Inditex has been working in the field of Gender, Diversity and Inclusion, for driving international standards linked to the ILO, including, but not limited to, the following: Equal Remuneration Convention (C100), Discrimination (employment and occupation) Convention (C111), Workers with Family Responsibilities Convention (C156),

Maternity Protection Convention (C183), and Violence and Harassment Convention, 2019, and Recommendation (C190 and R206).

By means of various commitments in its supply chain, Inditex is creating a space to work directly at the factories, for changing gender equality practices in the workplace and also reaching female workers' families and communities.

All five PIAs have actions directed specifically at women's needs.

One example, in the Respect PIA, is the Sowbhagyam project in India. This project has two main goals: fostering increasingly better labour practices at spinning, weaving, fabric mills and processing facilities and ensuring that all factory workers enjoy a safe environment free of any kind of violence and harassment.

Furthermore, there are several specific objectives:

- Improving recruitment practices at factories.
- Strengthening the Internal Grievance Committee to prevent, prohibit and redress.
- Improving access to grievance mechanisms available at the factory.
- Facilitating early identification and guidance for vulnerable workers.

The project was implemented starting with a detailed assessment of the needs to understand the specific challenges at supply chain factories in the Tamil Nadu region. This greatly enhanced the visibility with respect to the needs and, accordingly, the interventions were suitably adapted to meet them.

The project has reached 8,060 workers involving 12 factories and suppliers in India.

Find out more in the [Inditex Group's 2024 Statement on Non-Financial Information and Sustainability Information](#) (page 258 et seq.) and in the specific report entitled [Workers at the Centre 2023](#) (pages 44 et seq.)

Workers involved in the production of raw materials

While raw materials (both natural and man-made) are pivotal components in the creation of end products, their supply chain is highly complex and involves challenges linked to labour conditions, as well as development, prosperity and resilience. These challenges must be addressed both locally and globally, so a holistic approach is called for. This approach must encompass traceability, due diligence and a commitment to respect for and promotion of human and labour rights.

Developed in the PIA of Resilience, and aiming for prosperous livelihoods, the main initiatives carried out in 2024 for cotton farms and communities were:

- Public-private partnership with the ILO (India, Pakistan, Uzbekistan).
- Collaboration projects for promoting regenerative agricultural practices (India).
- Child & Women Friendly Mobile Areas project (Türkiye).

In this regard, the Inditex Group has taken a holistic approach to protecting the rights of such workers, by joining forces with a number of players, including local and international organizations and communities themselves. As an example, to drive the progress of sustainability across the supply chain of cotton, Inditex works with other organizations in the sector, in addition to working with ILO under the Public Private Partnership signed with Inditex in 2017 and renewed in 2023 to promote respect for human rights at work from cotton producers in different cotton producing

communities. The five fundamental rights that ILO advocates for in its Declaration on Fundamental Principles and Rights at Work are:

- Freedom of association and the effective recognition of the right to collective bargaining
- The elimination of all forms of forced or compulsory labour
- The effective abolition of child labour
- The elimination of discrimination in respect of employment and occupation
- Safe and healthy working environment

The Inditex Group thus contributes to sustainability across the supply chain of such workers. To achieve it, a cooperative approach with different stakeholders nationally and in the communities themselves is key.

Due diligence in the cotton supply chain

Based on our due diligence processes and in collaboration with various organisations, Inditex continues to work to ensure the absence of forced labour – of which Inditex has a zero-tolerance approach – as well as to promote compliance with international standards and our Code of Conduct for Manufacturers and Suppliers, including in the raw materials supply chain. Inditex has developed and applies strict policies and actions with the ultimate goal of fostering respect for the human rights of all workers in our supply chain.

Inditex’s compliance programme, together with the activities related to the ‘Workers at the Centre’ strategy, and Inditex’s close partnerships with stakeholders such as the ETI or ILO, strengthen Inditex’s commitment to the prevention of forced labour. Inditex remains committed to the involvement of and dialogue with relevant stakeholders (both local and international) to identify opportunities to prevent negative impacts on workers’ lives.

For this reason, Inditex takes action at the following levels:

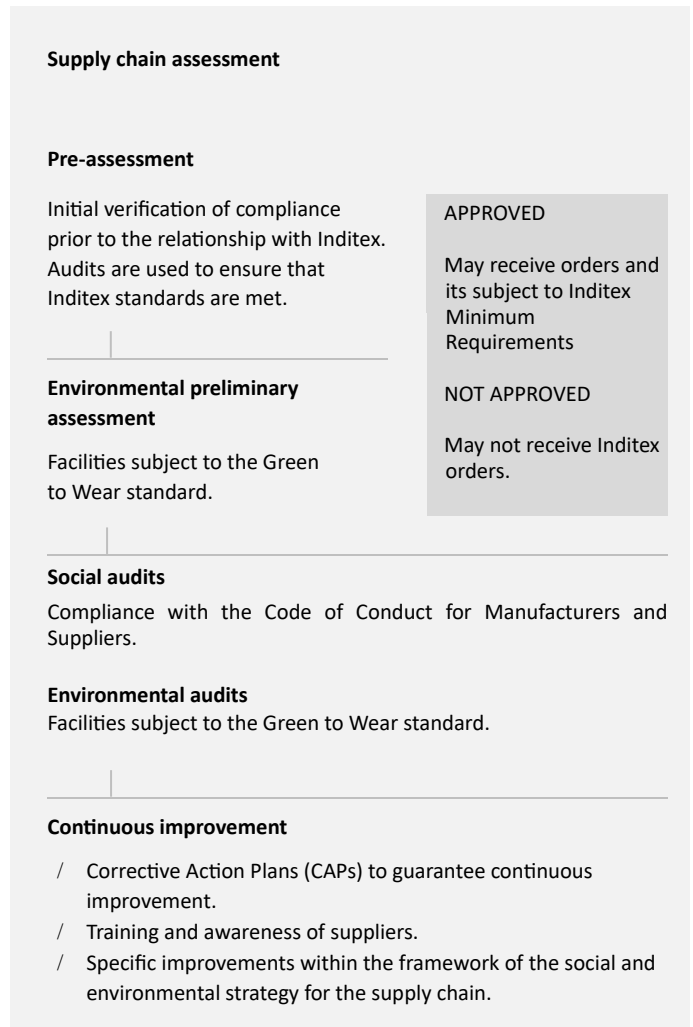
- At community level: by means of the Public Private Partnership with the ILO to enhance human and labour rights within the cotton supply chain covering the fundamental rights and principles at work, including the prevention of forced labour.
- At industry level: as established in the UN Guiding Principles on Business and Human Rights and in collaboration with relevant stakeholders, the Inditex Group works to promote the human and labour rights of workers within the global textile supply chain.

Find out more in the [Inditex Group’s 2024 Statement on Non-Financial Information and Sustainability Information](#) (page 196 et seq.) and in the specific report [Workers at the Centre 2023](#) (pages 71 et seq.)

3. ASSESSING & MANAGING RISK OF FORCED LABOUR AND CHILD LABOUR

ITX Canada, as a member of the Inditex Group, supports its social sustainability strategy with actions aimed at verifying and ensuring compliance with the Code of Conduct for Manufacturers and Suppliers – which states that any form of forced labour is expressly prohibited – and with international regulations. ITX Canada does this in addition to working with suppliers and stakeholders to continuously improve the supply chain.

All the facilities used to produce the goods that Inditex places on the market must comply with the Code of Conduct for Manufacturers and Suppliers. To ensure this compliance, Inditex conducts different procedures and assessments regarding human and labour rights among all of its suppliers and factories – chiefly through different types of audits.



Before starting a commercial relationship with Inditex, every potential supplier and manufacturer is subject to a pre-assessment audit to verify, among others, that there is no violation of workers’ human rights, ensuring that only those who meet the Inditex Group’s sustainability standards may become part of the supply chain.

During such pre-assessment audits, the prohibitions of forced and child labour are verified. In 2024, Inditex carried out 2,175 pre-assessment audits of manufacturers who were potentially commencing business with Inditex.

Social Audits

In addition to pre-assessments, every manufacturer in Inditex’s supply chain is subject to periodic social audits. The methodology used in social audits was designed in 2007, jointly with the former International Textile and Garment and Leather Workers’ Federation (currently IndustriALL Global Union), the University of Northumbria and the Cambridge Centre for Business and Public Sector Ethics.

The main purpose of the social audits is to verify the level of compliance with the Code of Conduct for Manufacturers and Suppliers and to launch a corrective action plan (“CAP”), where appropriate, to ensure respect for

human and labour rights and remedy any detected non-compliance. Social audits can be conducted both by internal and external auditors, without previously announcing the specific date.

Each audit includes tools, inter alia, to identify any form of forced labour, and to verify issues such as employment documentation (including age verification), freedom of movement and the termination of agreements, the use of agents for recruiting staff and their relationship with the workers, including any potential payment of hiring fees, among others. 6,468 social audits were conducted in 2024.

These audits include the social audits carried out using Inditex’s proprietary methodology and the audits carried out following the method of the Social & Labour Convergence Program initiative, of which Inditex has been a member since the inception of the program.

As a result of the social audits, Inditex suppliers and manufacturers are classified in a social ranking based on their degree of compliance with the Code of Conduct for Manufacturers and Suppliers (CCMS).

Classification	Audit results
A	Complies with the CCMS
B	Does not comply with some non-relevant aspect of the CCMS
Subject to CAP - C	Does not comply with some sensitive, but inconclusive aspect of the CCMS that triggers the immediate implementation of a Corrective Action Plan
Subject to CAP - D	Breaches of the CCMS triggering the immediate implementation of a Corrective Action Plan
PR	Undergoing an auditing process

In 2024, 94% of manufacturers were classified with A and B ranking.

Social audits also allow us to determine and identify the main challenges in each country in relation to the different aspects of the Code of Conduct for Manufacturers and Suppliers, and this is also a valuable source of information for activities that are part of the Workers at the Centre strategy, as noticing the most critical issues in each geographic area lead to enhancing the due diligence process in the field of human rights.

Find out more in the [Inditex Group’s 2024 Statement on Non-Financial Information and Sustainability Information](#) (page 314 et seq.) and in the specific report on Supply Chain: management to transform the sector.

Traceability

At Inditex, traceability is defined as the ability to identify and trace the history, application, location and distribution of products, parts and materials, in keeping with Recommendation No. 46 of the United Nations Economic Commission for Europe¹.

Accordingly, Inditex has traceability management and assessment programmes. Inditex is also working on deepening the traceability of raw materials, as achieving full traceability of its entire supply chain is one of the challenges facing the industry.

Inditex’s traceability ecosystem allows it to compile and evaluate information concerning the traceability of its products, thereby informing and enhancing its due diligence efforts and assessment of risk. Specifically,

it helps to ascertain in which production facilities the articles were created and to certify the use of more responsible materials.

Based on Inditex’s Traceability Requirements, suppliers must:

- Know their supply chain and work exclusively with manufacturers and intermediaries previously assessed and authorised by Inditex and which comply with all our sustainability standards.
- Inform of all the facilities and intermediaries involved in each of the production processes, from the fibre or yarn to the final garment for each order.
- Provide proof of the use of lower-impact raw materials² by means of documentation proving their origin, as well as certifications of the facilities if applicable.

To facilitate the implementation of these requirements and to help its suppliers improve their traceability processes, Inditex uses its In.Trust management system to ease the process whereby its suppliers provide information on their supply chain.

Inditex uses various control mechanisms operating in parallel to verify compliance with our traceability requirements:

- Designation control check: Inditex checks that its suppliers have provided information about their supply chain before deadline.
- Review of certificates: Inditex checks raw material certificates before approving them.
- Traceability audits: Inditex verifies the information provided by its suppliers on site, through unannounced visits to the production facilities. This allows Inditex to check the production processes, the production in progress and the ones completed.

In 2024, 10,387 traceability audits were conducted.

4. REMEDIATION – FORCED AND CHILD LABOUR & LOSS OF INCOME

The factories in Inditex’s supply chain are subject to thorough reviews to detect the existence of workers from especially vulnerable groups and assess their social and working conditions. In 2024, ITX Canada itself did not take any remediation measures to remediate any forced or child labour, or to remediate the loss of income to the most vulnerable families that results from any measure taken to eliminate the use of forced or child labour in ITX Canada’s supply business activities and supply chain. Rather, all such remediation measures are carried out by Inditex via remediation plans.

Remediation plans for refugees and migrants

Inditex has developed remediation plans where refugee or migrant workers are found to be working or living in conditions that do not adhere to its standards.

For example, in collaboration with MUDEM, remediation plans in Türkiye began with a detailed assessment of the working and living conditions of refugee and migrant workers through individual meetings. Specific actions were considered with a view to improving living conditions if any vulnerability or violation of basic human rights was detected. The main objective was to ensure that these workers are supported by valid work

¹ Recommendation No. 46 of the United Nations Economic Commission for Europe: Enhancing traceability and transparency of sustainable value chains in the garment and footwear sector.

² Information on the criteria that fibres and materials must fulfil to be classified as lower-impact available in the Methodological Annex of [Inditex Group’s 2024 Statement on Non-Financial Information and Sustainability Information](#).

permits and social security, as well as to facilitate their integration, for instance by removing language barriers. Guidance is also provided if any other needs are identified, such as psychological support services.

Where the presence of migrant and refugee workers is identified, Inditex sets in train, where necessary, remediation plans in collaboration with local expert organizations in the field, to guarantee respect for their human rights and legalize their status.

Inditex has collaborated closely since 2016 with the local NGO Refugee Support Centre, which has been providing social and legal support to asylum seekers in accessing their rights and services for refugees and migrants.

The main action lines of the remediation plans are:

- Assessment and effective verification of working conditions
- Supporting workers' integration
- Support for getting work permits
- Advice and support in every aspect of their lives

Child labour remediation plans

Inditex also counts with specific child labour remediation plan, a mandatory process implemented globally, that is activated if a worker under the age established in the Code is identified. In the event that a breach is detected, auditors communicate this information to Inditex's internal team. Suppliers and factories are responsible for developing and implementing a series of feasible corrective actions following this communication and for reaching an agreement with the minor and their guardians, which includes providing schooling opportunities for the minor, paying them a living allowance until the age of 16 to reduce the likelihood of them returning to work to feed their family, or employing an adult family member in their place, among other measures.

In the development of these plans, there is ongoing monitoring by Inditex's internal teams, and external expert organisations may also be invited to collaborate.

Loss of Income to the Most Vulnerable Families

To ensure the success of a remediation plan, it is essential to take into consideration the context and situation of the persons whose human rights have been negatively impacted. The measures developed in a remediation plan must be designed and implemented to also address the root causes of the situation and not to worsen the person's living circumstances.

In the case of child labour in particular, the economic needs and extreme vulnerability of children and their families are a clear trigger for these situations. For this reason, Inditex places a special emphasis on negotiations between suppliers and factories, and the minors and their legal guardians, to ensure that their voices are heard and that the remediation measures implemented truly address their needs. Some of the remediation measures implemented are paying them a living allowance until the legal minimum working age, employing an adult family member in their place or providing schooling opportunities for the minor.

The aim of these measures is not only to guarantee the removal of the minor from the workplace, but also to ensure that they do not return to it, which is why taking into account their vulnerability and family context is essential to ensure effective remediation.

Corrective Action Plans

Inditex believes in continuous improvement as a key to advancing towards its goals and strategies. Management of the supply chain is also consistent

with this philosophy. One of Inditex's main tools for improving the performance of suppliers and manufacturers is the CAP, developed when non-compliances are detected in social and environmental audits, not only to establish measures to mitigate or remedy them, but also to prevent them from occurring in the future.

Developing a corrective action plan

Involvement throughout the process of sales teams, trade unions, NGOs or other organisations where necessary

Start of the CAP

- 3. Launch
 - / Analysis of points of improvement
 - / Discussing the plan and setting out correction dates
- 2. Monitoring
 - / Request/receipt/verification of evidence
 - / Technical support
 - / Desk review of the improvements and follow-up with the supplier and manufacturer

Control point or competence visit

3. Monitoring audit

Close of the CAP

- / Blockage
- / New rating

The precise duration of a CAP is determined by the non-compliances found during the audit and the period deemed necessary to address them.

In the most sensitive cases—classified as being 'Subject to Corrective Action Plan – D'—the plan lasts approximately six months, during which Inditex's Sustainability teams and buying teams offer constant support to suppliers and manufacturers through two channels:

- Providing advice and expertise on the implementation of the corrective action plan. This may include support from other stakeholders such as NGOs, trade unions or other civil society organisations.
- Continuously monitoring the CAP, including competence visits or control points, so as to act with the supplier before the established deadline if progress is not fast enough.

Specifically, CAPs comprise the following stages:

- Initial meeting: at this meeting, any non-compliances detected are analysed, the action plan proposed by the supplier is discussed, and deadlines are established for the various stages of the process.
- Monitoring: before conducting the competence visit or control point, a double check is carried out with the supplier or factory (in the first and second months) to ascertain whether the factory has made any improvement. The supplier action plan must be completed.

- If non-compliances have been resolved: the improvement must be demonstrated with a clear explanation and photographic evidence or documentation, where relevant.
- If the non-compliances have not been resolved: a justification of the reasons should be included and, if there are no reasons or if there is no plan to resolve the non-compliances, the factory will be considered to be blocked preventing any supplier making an order for Inditex at this facility.
- Competence visit/control point: improvements (or lack thereof) by the factory are verified, and new findings are checked.
- Final monitoring: before the follow-up audit is carried out, the auditor will check with the supplier that all improvements have been made. The supplier's action plan must be completed with the submission of a clear explanation and photographic evidence or documentation to prove it.
- End of CAP: a follow-up audit is carried out to assess whether the non-compliances have been remedied and to determine the factory's new classification.

Of the 306 CAPS conducted in 2024, 223 of these plans were carried out in factories with a 'Subject to CAP - D' rating, and 83 at production centres with other ratings.

Blocking a supplier or a factory is a last resort. Inditex believes in ongoing collaboration and dialogue with our suppliers, as the basis of the mutual trust relationship that benefits both parties. Thus, the Inditex brings them support and collaboration so that they can improve their supply chains for the benefit of workers.

Inditex's support for suppliers and factories is not limited to carrying out the CAPs where evidence of non-compliance exists, but instead, different courses of action are followed to prevent non-compliance and proactively seek continuous improvement. The Inditex Group seeks to have an ongoing collaboration with its suppliers while the relationship with them exists and work with them towards improving their own supply chains and promoting human and labour rights of their workers.

Find out more in the [Inditex Group's 2024 Statement on Non-Financial Information and Sustainability Information](#) (page 316) and in the specific report on Supply Chain: management to transform the sector.

Ethics Line

The Ethics Line is the main grievance and queries mechanism for the Inditex Group. In addition to the Global Ethics Line Inditex has Local Ethics Lines in different markets in order to comply with the legal requirements or best practices applicable in such market. In this regard, ITX Canada has a Local Ethics Line for Canada. The Ethics Line is Inditex's preferred, confidential, internal communication channel available to any employee, director and shareholder of any company of the Group, as well as anyone working under the supervision and management of manufacturers, suppliers, contractors and subcontractors of the Group. The Ethics Committee is the internal body responsible for managing the Ethics Line in accordance with the Policy on Internal Reporting Channels and the Ethics Line Procedure.

The Policy on Internal Reporting Channels and the Ethics Line Procedure provide the following safeguards and protections for persons who make a report:

- (i) confidentiality;
- (ii) presumption of innocence and preservation of the right to honour of the persons affected by the report;
- (iii) non-retaliation;
- (iv) appropriate use of personal data processed; and

- (v) the parties' right to be heard.

Within this framework, any employee, manufacturer, supplier or third party globally may use the Ethics Line anonymously. Similarly, any third party may report any breach of the Code and/or any other internal regulations affecting Inditex or its Group which fall within the purview of the Ethics Committee, such as Inditex's Human Rights Policy. The Ethics Committee is also responsible for launching investigation(s) and proposing relevant remediation, prevention and awareness-raising measures, as the case may be. In the event of a breach, remedial measures may consist of the immediate correction of the breach and the adoption of measures to remedy and prevent future breaches; or disciplinary measures (ranging from a simple warning or admonishment to dismissal).

5. TRAINING

A strong culture of sustainability in all areas of the Inditex Group is essential to the successful implementation of our business model. To instil a culture of sustainability among all employees, regardless of their position and duties, the Inditex Group carries out training to its employees at headquarters, stores, logistics centres, and in the different markets where Inditex operates.

As part of their onboarding process, every employee at headquarters receives training on social and environmental sustainability, to ensure that they understand the basic idea of sustainability and its relevance for the Inditex Group.

After this initial approach to sustainability, employees undertake specific training depending on their roles and responsibilities. Training in this regard is essential for our buying teams due to the impact of their decisions on the sustainability of our products and supply chain. Such training covers responsible purchasing practices and their influence on employee rights.

In this regard, in 2024, as part of Inditex's space dedicated to sustainability training and innovation, The Sustainable Fashion School completed the first and second editions of the Foundations of Textile Manufacturing Master's programme, devised in collaboration with the University of Leeds. The Sustainable Fashion School consists of a space for knowledge and inspiration where Inditex's buying and design teams are backed by a very solid foundation of technical knowledge and access to the latest innovations in sustainability. More than 1,600 people from all the Inditex Group's brands have completed the course.

Additionally, the promotion of the corporate ethical culture and the compliance model of the Inditex Group is underpinned by the implementation of training action adapted to the risk profile of the different groups of employees that form part of Inditex. In this regard, in 2024, the implementation of the holistic Compliance Training Plan has continued. Such Plan includes training, awareness and sensitisation measures covering the priority Compliance risks to which the Group is potentially exposed. In particular, the goal is to ensure a homogeneous and robust oversight of mandatory training, which has been enhanced by the creation of a compulsory training carousel on the corporate e-learning platform, TraIn. This is a dedicated space that hosts compulsory training courses in specific areas, such as Compliance (which includes training on the Codes), Diversity and Inclusion, Health and Safety, among others.

Training and raising awareness among suppliers are also key to make progress towards the joint continuous improvement of the supply chain from the perspective of human and labour rights. Inditex's Sustainability teams advise suppliers through constant communication and training to

share the Group's values, to raise awareness of respect and promotion of Human Rights and workers' wellbeing. Training programmes include topics relating to procedures and requirements of the Group, including the Code of Conduct for Manufacturers and Suppliers, and to priority impact areas identified through due diligence.

Likewise, in 2024, a Compliance e-learning training course –including as content the Code of Conduct and the Code of Conduct for Manufacturers and Suppliers, the Ethics Line, the Integrity Policies, among others–, has been made available to the main product suppliers in 30 markets, which will allow to convey the principles and behaviour guidelines the Company expects from the main product suppliers within the framework of our commercial or professional relations with them.

In addition, individual awareness-raising and group training is also provided, the latter run by internal teams or in partnership with reputable organizations with various specialisms.

Find out more in the [Inditex Group's 2024 Statement on Non-Financial Information and Sustainability Information](#) (pages 246 et seq.) and in the specific report on [Workers at the Centre 2023](#).

6. ASSESSING EFFECTIVENESS

Continuous improvement is key to sustainable supply chain management. In that regard, both ITX Canada and Inditex policies and processes are routinely revised with a view to alignment with emerging best practices. For example, Inditex's human rights due diligence process was updated in 2023 in collaboration with the expert organization Shift, to identify the Priority Impact Areas to address through the new phase of Inditex strategy for the socially sustainable management of the supply chain, *Workers at the Centre* (2023-2025).

As previously discussed, ITX Canada, as a member of the Inditex Group, is continually engaged in assessing supplier and manufacturer compliance with Inditex's policies, codes and requirements. Inditex gathers extensive data on the audits it carries out, compliance with CAPs, and reports to its Ethics Line, as set out above.

The regular audits Inditex carries out in its supply chain are an essential tool to assess the effectiveness of its codes, policies and supply chain management systems. In 2024, 6,468 social audits were conducted, assessing Inditex's manufacturers' compliance with its Code of Conduct for Manufacturers and Suppliers.

Following these social audits, suppliers are ranked based on their compliance with the Code of Conduct for Manufacturers and Suppliers. This allows Inditex's teams to identify improvement areas, develop corrective action plans for suppliers and manufacturers and assess the effectiveness of the measures implemented.

One of our main tools for improving the performance of suppliers and manufacturers are the Corrective Action Plans (CAPs), which are developed when non-compliances are detected in social and environmental audits, not only to establish measures to mitigate or remedy them, but also to prevent them from occurring in the future.

In 2024, Inditex carried out 306 CAPs, of which 223 at factories with a 'Subject to CAP - D' rating and 83 at production centres with other ratings.

At the end of every CAP, a follow-up audit is carried out to assess whether the non-compliances have been successfully remedied. Inditex adopts a zero-tolerance policy for those suppliers who are unwilling to improve. Consequently, if critical non-compliances are verified again during this

audit, the factory or supplier will be blocked and will not be able to continue working for Inditex.

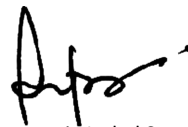
Inditex's Ethics Line also serves as a means through which Inditex can assess the effectiveness of its codes, policies and requirements. Inditex continuously reviews its practices and tools together with external auditors to conduct effective assessments of conditions and rights during social audits and then integrate them into the due diligence framework we implement with expert NGOs.

In 2024, a total number of 719 reports were received by the Ethics Lines. The Ethics Line may receive reports concerning non-compliance of any of the Code of Conduct, the Code of Conduct for Manufacturers and Suppliers, or any other internal regulation, or a breach of any applicable laws on public procurement; financial services, products and markets and prevention of money laundering and terrorist financing; product safety and compliance; transport safety; protection of the environment; radiation protection and nuclear safety; food safety and animal welfare; public health; consumer protection; and, protection of privacy and personal data and security of network and information systems. Of the total of 719 cases opened by the Ethics Committee in 2024, 556 are closed. Of these, 313 were classified as being beyond the authority of the Ethics Committee or as not requiring any further action or monitoring by the Ethics Committee. Of the remaining closed cases falling within the purview of the Ethics Committee: (i) 64 were queries, (ii) 75 were cases which, after investigation, were found not to be non-compliances, and (iii) the remaining 41 were cases of non-compliance requiring appropriate action. In 9 cases, the non-compliances detected affected employees of suppliers of goods and services, and necessary measures to remedy the situation were taken.

7. ATTESTATION

This Report was approved by ITX Canada's Board of Directors on May ___, 2025 and has been submitted to the Minister of Public Safety and Emergency Preparedness in Canada. This Report is also available on our website at inditex.com, as well as the Canadian websites of the Inditex Group brands: zara.com/ca, pullandbear.com/ca, massimodutti.com/ca, bershka.com/ca, stradivarius.com/ca, and zarahome.com/ca.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in this Report for ITX Canada Ltd. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in this Report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.



Rosemarie Isabel Santos, on behalf of the Board of Directors

Country Manager, May 30, 2025

I have authority to bind ITX Canada Ltd.