

16 March 2022

EXTRAORDINARY MEETING OF THE EUROPEAN WORKS COUNCIL OF THE INDITEX GROUP

In light of the serious international crisis caused by the Russian invasion of Ukraine and the severe implications that this is having for both countries, as well as for all other countries where **INDITEX** operates, the EWC requested an extraordinary meeting to discuss **the situation, repercussions, forecasts and contingency plans that were considered by the Inditex Group.**

This extraordinary EWC meeting was held on 16 March 2022 and was attended by representatives from France, Austria, Germany, Portugal, Italy, Luxembourg and Spain, as well as by the coordinator for UNI.

The company's management team informed about the situation regarding the 1,395 people (78% women and with an average age of 24 years) working in the 85 stores in Ukraine that have been closed due to the war. Two action plans have been drawn up with the Inditex staff in Ukraine. One action refers to the economic aspect of the situation, where the salaries for February, March and April have been paid in order to facilitate the affected workers with economic means. In the other plan, a telephone number has been made available to the workers to be able to give them support with visa applications, psychological help, travel management, etc. As of today, approximately 32 people have left Ukraine.

For the Ukrainian staff working in other stores in Europe (approximately 350 people), other measures have been made available, such as advanced holidays and salary payments, so that they are able to care for their families as, in some cases, they are receiving relatives or are trying to find them.

Regarding the workforce in Russia (9,965 people), on 5th March, the temporary closure of the 502 stores of the group in the Russian market was communicated, as well as the suspension of online sales. This decision was made as the continuity of operations and business conditions could not be guaranteed.

Some maintenance and store staff are still working in the closed stores and are receiving their full salaries. The remaining staff affected by the temporary suspension are receiving 2/3 of their salaries, in accordance with the law. These salaries are being fully paid by the Inditex group while the temporary suspensions of the contracts are still in force.

Efforts are being made to minimise the impact on the logistics centres and the rest of the group, however, it is too early to carry out a full evaluation of the situation. The Russian market represents 8% of the annual earnings before interest and taxes (EBIT). The countries neighbouring this war are also being affected by the humanitarian crisis caused by the war, particularly at an emotional level.

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Inditex has contributed to helping the most vulnerable people in the humanitarian crisis and also those fleeing Ukraine by making donations to the UNHCR, which will be allocated to two programmes coordinated by the United Nations. Inditex is also continuing its financial contributions to other NGOs such as MSF, the Red Cross and Caritas Internationalis, among others.

Additionally, and depending on the needs of the coming days, INDITEX has offered to make clothing donations to cover the needs of those who have had to leave their homes with the minimum of their belongings and who are currently seeking refuge in Ukraine's neighbouring countries.

All company staff who wish to make a financial donation to the UNHCR to help displaced Ukrainian people may do so through a simple feature that has been enabled in the Group's app (INET), which will deduct the amount directly from the March payroll.

The company is especially focused on caring for its entire workforce. We consider the diverse nationalities that make up the company to be a very positive element; however, we must put special emphasis on maintaining an atmosphere of solidarity and understanding during difficult times such as the reality we are currently facing.

The company is committed to keeping the EWC informed of any new actions taken regarding this crisis and which may affect its workers.