

## **UK TAX STRATEGY AND APPROACH**

### **– ITX UK LIMITED –**

ITX UK Limited is publishing its UK tax strategy in respect of the financial year ending 31 January 2025. This tax strategy has been prepared in compliance with the requirements outlined in Paragraph 22(2) of Schedule 19 of the Finance Act 2016, the updated guidelines published by HMRC in 30 July 2024 and following Inditex Group tax strategy.

The strategy has been approved by the Board, and is reviewed annually.

The strategy reflects ITX UK Limited's ongoing commitment to maintaining high standards of tax governance, transparency, and compliance with UK tax laws.

The Inditex Group has seven Brands, namely ZARA, MASSIMO DUTTI, ZARA HOME, BERSHKA, PULL & BEAR, STRADIVARIUS and OYSHO. The company's business model is focused on innovation and flexibility, its way of understanding the latest local fashion trends, and being timely and responsive in delivering attractive and responsible fashion products to local markets such as the UK. ITX UK Limited is the retail distributor responsible for the UK market.

Our overall aim through our UK tax strategy is to:

- Achieve the Group's business objectives, procuring the creation of value for the shareholders in a sustainable way;
- Sustain the processes that require an unwavering commitment to contributing to social and economic development of local markets; which for tax purposes is materialised in the compliance of all tax rules that arise as a consequence of its business activity, according to the applicable local and international legislation;
- Meet all legal requirements ensuring timely compliance with all relevant tax rules and adoption of good tax practices consistent with the guiding principles of Group corporate social responsibility;
- Comply with and maintain appropriate internal control systems related to tax function, ensuring there is appropriate oversight.

### **Risk management and governance**

Our business maintains robust internal policies and procedures to support its operations, ensuring that risks faced by the business are appropriately identified, assessed and managed.

ITX UK Limited's tax strategy is underpinned by strong governance and risk management frameworks, ensuring compliance with all relevant UK tax laws and regulations. The strategy has been approved by the Board, and is reviewed annually to ensure its continued relevance and effectiveness.

We assess tax risks on an ongoing basis, taking into account the size, complexity, and potential changes in our business. This includes evaluating any risks arising from new transactions or

changes in tax legislation. We also monitor industry developments to stay informed about emerging tax risks.

The business has a low tolerance of tax risk. The management of tax risk and governance of the business is led by the Board of Directors, which is committed to the business's sustainable growth in the UK in line with our Group and UK tax strategy. This includes:

- Hiring and retaining appropriately qualified and experienced personnel;
- UK Finance team being responsible for the day to day management of UK business and UK compliance including but not limited to filing, payment obligations, and fulfilling obligations to ensure that our tax accounting arrangements are appropriate;
- Regular interaction between the Group Tax Department and those individuals tasked with the operation the UK finance function, regarding the way the business operates and manages its tax risk;
- Mitigation of the Group's exposure to the facilitation of tax evasion by associated persons;
- External professional tax advice is regularly obtained to make sure ITX UK Limited is compliant with UK tax legislation.

### **Approach to business transactions**

The business only undertakes transactions that are consistent with and support our business objectives and activities. The business complies with all relevant tax rules, regulations, and their intended spirit.

The business adheres to the UK's Double Tax Treaties and the relevant guidance issued by the Organization for Economic Co-operation and Development (OECD) for international tax matters.

ITX UK Limited follows the Inditex Group's Code of Conduct, which provides clear guidance on ethical business practices, including tax planning. The Group's ethical approach ensures that we do not engage in aggressive tax planning or tax avoidance schemes.

### **Approach to dealing with Her Majesty's Revenue & Customs (HMRC)**

Relationships with HMRC are based on the principles of transparency, good faith, and mutual respect. This includes full and open engagement with HMRC in relation to the affairs of the business across all applicable taxes. Our interaction with HMRC is mainly focused around timely compliance and, in particular, meeting relevant tax filing and tax payment deadlines.

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