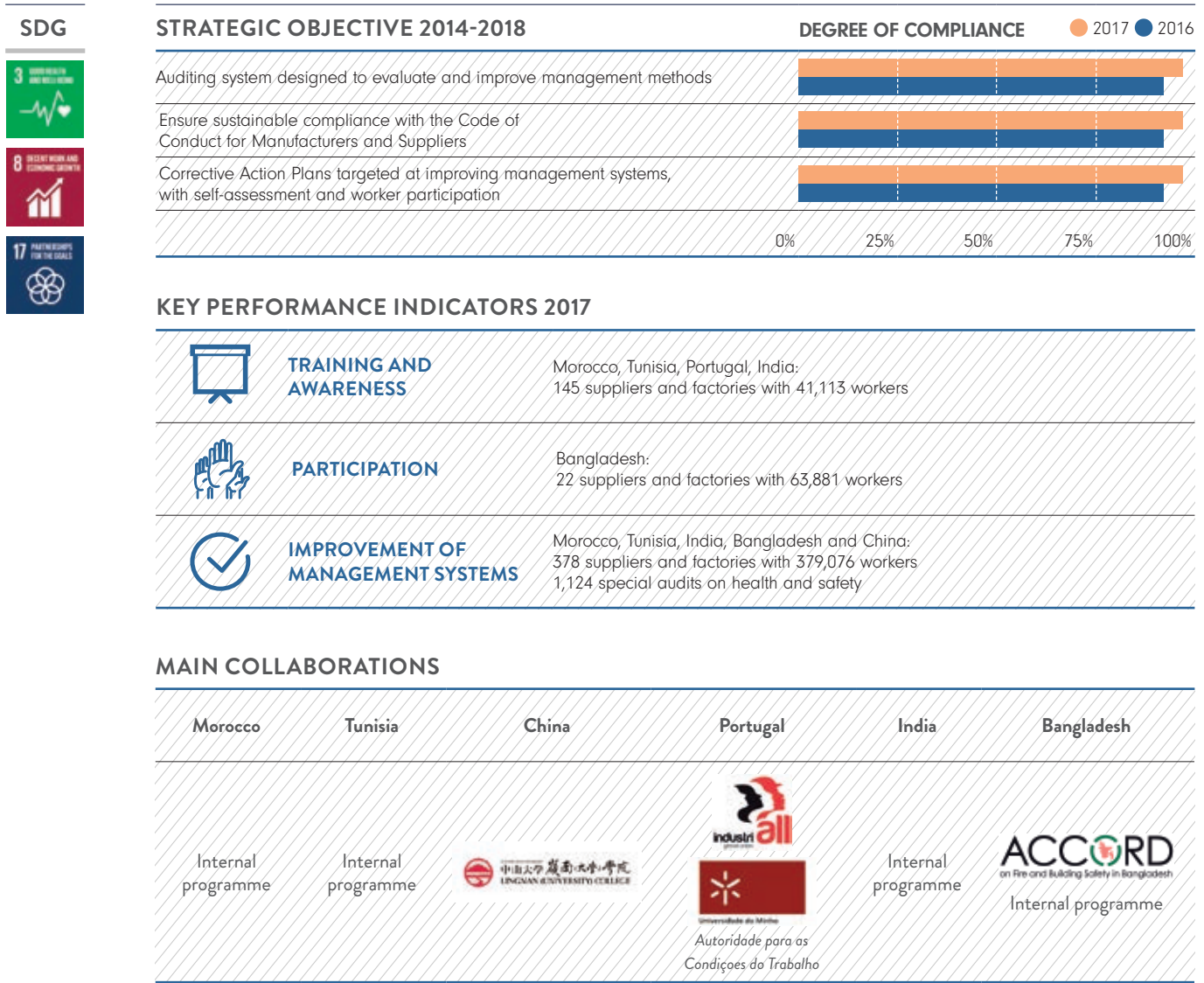


OCCUPATIONAL HEALTH AND SAFETY

Commitment to safe and healthy working environments throughout the supply chain



At Inditex we believe that it is fundamental that all workers in the supply chain have a safe and healthy working environment. That is why occupational health and safety is a key pillar of our strategy to ensure the sustainability of our supply chain.

In 2017 we carried out 1,124 special audits in which our internal and external teams verified the workers' conditions in aspects such as occupational health and safety, risk prevention and the structural safety of facilities.

Our programmes and initiatives seek to promote an awareness culture, participation, risk assessment

and improvements to occupational health and safety management. Some of these programmes and initiatives are developed in collaboration with different stakeholders to generate mutual benefit that allows to share knowledge and build capacity at a high level to support suppliers and our sustainability teams'.

The strategy of the occupational health and safety programme is based on the development of methodology and standardisation; competence development programmes; and collaboration with stakeholders.



Facilities at one of our suppliers in Portugal



METHODOLOGY AND STANDARISATION

The backbone of this work is the standardization, harmonization and global development efforts made by Inditex's sustainability teams, which shape a global working group specialised in health and safety.

Some of the current lines of action include creating a standardized methodology for risk assessment in workplaces, the design of indicators and information

systems to improve health and safety management, and the development of practical training modules focusing on different environments.

Meanwhile, one of the short term objectives of this working group is to compile best practices that can be disseminated as technical solutions where the legislation and regulations in force do not set out specific requirements.

COMPETENCE DEVELOPMENT PROGRAMMES

The interpretation of the results obtained from the Code of Conduct Compliance Programme makes it possible to identify areas that should be strengthened and designed specially adapted programmes. In this respect, 1,124 specific audits on health and safety were performed in 2017.

Below is a summary of some of the most noteworthy competence development programmes and their main features.



REINFORCEMENT PROGRAMMES 2017

PROGRAMME	COUNTRY	DESCRIPTION	RESULTS 2017
Health and safety assessments, continual improvement and training	Morocco	<p>The project focus on:</p> <ul style="list-style-type: none"> - Working conditions of employees - Conditions of buildings housing factories - Electrical installations and safety of machinery and boilers - Chemical and physical agents - Fire extinguishing equipment and emergency exits - Management systems <p>The aim is to assess and identify aspects for improvement and define action plans to be implemented and monitored with suppliers.</p>	This project began as a pilot programme in 2015. Following its development and extension in 2016, by the end of 2017 it involved 37 suppliers with 128 factories and 39,870 workers. The current implementation level of corrective action plans stands at 89%.
Health and safety assessments, continual improvement and training	Tunisia	During 2017, the project initiated in Morocco was extended to Inditex's supply chain in Tunisia. The new project has the same structure and thematic areas and employs the same tools and evaluation method. This allows us to compare results with ease and identify even more specific areas to work on in these countries.	At the end of 2017, some 27 factories linked to 11 suppliers embarked on the second phase of the project, defining the corrective action plans to be applied.
Assessment of structural, fire and electrical safety of new suppliers and manufacturers	Bangladesh	Our team carries out technical assessments that focus on structural, fire and electrical safety during the process of incorporating new suppliers and manufacturers. These assessments seek to guarantee the safety of facilities where production is carried out.	In 2017 some 43 technical assessments were carried out, while the facilities and working environments of more than 27,000 workers were also verified.
Risk assessment training Joint development and implementation of corrective measures	India	<p>The project is comprised of three modules:</p> <ul style="list-style-type: none"> - Definition of management responsibilities and introduction of tools. - Joint risk assessment carried out by health and safety officers in factories, workers, and members of the sustainability team to identify corrective actions. - Identification of corrective actions in factories to be carried out by health and safety officers and validated by the sustainability team. 	Currently developed in 17 factories and benefiting more than 3,500 workers. Future steps being considered include incident record-keeping systems and KPIs systems for the improvement of occupational risk management.
Development of health and safety management systems	India	Improve health and safety management systems through visits that make it possible to identify best practices, develop maintenance programmes and involve the different areas of the company in occupational health and safety issues.	A total of 12 suppliers and four factories with 18,399 workers formed part of this project. The facilities received 96 visits in 2017.
Electrical safety	India	Pilot initiative to strengthen electrical safety in the country's supply chain. The initiative was implemented in the facilities of four suppliers, where work was carried out in conjunction with electrical and maintenance teams to improve working procedures and documentation in these areas.	This project made it possible to verify the electrical conditions in the working environments of more than 1,700 workers.



COLLABORATION PROGRAMMES

The identification of areas to be strengthened occasionally requires collaboration between Inditex and expert stakeholders. This allows us to guarantee a response at the highest level while developing the skills and knowledge of our teams. These are the main collaboration programmes implemented throughout 2017:

COLLABORATION PROGRAMMES 2017

PROGRAMME	COUNTRY	DESCRIPTION	RESULTS 2017
Training and strengthening of participation and occupational health and safety	Portugal	<p>Halfway through 2017, we initiated a pioneering collaboration programme involving national trade unions (FESETE, SINDEQ), international trade unions (IndustriALL), Portuguese government bodies (Autoridade para as Condições do Trabalho (ACT), the University of Minho and Inditex to improve health and safety conditions in the Portuguese supply chain.</p> <p>Based on the analysis of the most common breaches of the Compliance Programme, the following areas requiring strengthening were identified:</p> <ul style="list-style-type: none"> - Training and participation of the workforce - Fire safety - General aspects of health and safety 	<p>The first phase of this programme ended with a training session for 46 suppliers. The session also saw participation from ATP and ANIVEC, associations of textile employers in Portugal.</p> <p>In 2018, members of the sustainability department and health and safety managers in the suppliers themselves will assess supplier facilities to identify corrective actions.</p>
Machinery, fire and electrical safety	China	<p>The collaboration programme involving the EHSA Centre of the University of Ling'nan and Inditex initiated in 2016 continued to make progress in 2017.</p> <p>A total of 62 suppliers trained in 2016 assessed fire, electrical and machinery safety in their factories in 2017, generating corrective action plans validated by Inditex.</p>	<p>A total of 327 factories in the suppliers were involved, developing corrective action plans of which 62 have been verified to date.</p>
Monitoring of compliance with Accord corrective action plans	Bangladesh	<p>As a signatory member of the Accord on Fire and Building Safety in Bangladesh since its origins in 2013, Inditex is committed to improving health and safety in the textile factories in that country.</p> <p>This agreement, which is legally binding for international brands, national and international trade unions and various NGOs, has at its disposal engineers who carry out inspections of factories and generate corrective action plans. The plans are monitored by Inditex's internal team of engineers in collaboration with external engineers specialising in structural, fire and electrical safety.</p>	<p>During 2017, some 728 inspections were performed on factories in Inditex's supply chain in the country, which made it possible to verify the working conditions of some 269,000 workers in 38 manufacturers and 84 suppliers.</p>
Support and direct involvement in Accord complaint and reporting mechanisms	Bangladesh	<p>Index is firmly and actively committed to the Accord worker participation programme. This programme provides all factory workers with a channel for communicating their concerns on occupational health and safety risks in a confidential and secure way.</p>	<p>In 2017, Accord received 31 communications originating from Inditex's supply chain, of which 28 found a positive resolution and three more are still in progress.</p>
Detailed evaluation of the structural state of factories	Bangladesh	<p>The reinforcement and corrective initiatives implemented by our team in Bangladesh encompassed work with an international engineering consultancy to carry out a detailed assessment of building structures in order to obtain consistent data that would result in a highly reliable structural evaluation.</p>	<p>Assessment of three companies in Inditex's supply chain in Bangladesh, benefiting 5,600 workers.</p>