

OUR COMMITMENT: CLEAN, RESPONSIBLE FASHION

Our commitment to our customers means ensuring that the products we put on sale comply with the most demanding regulations and standards in the world in terms of health and safety, as well as being environmentally responsible. To this end, at Inditex, we have our own health, safety and environmental sustainability standards, which we use for all the items we commercialise and for the suppliers we work with.

PRODUCT HEALTH AND SAFETY

In order to continue to make progress in the excellence of our products and manufacturing, at Inditex we have scientific teams and technology experts who monitor news and regulatory updates in terms of health and safety, identify the chemical products used in the industry and assess each manufacturing process used for our products. Thus, we work to ensure the highest levels of health and safety of the specific rules and regulations that apply in each country.

As a key part of this careful process, the design and preparation of our product standards allow us to go beyond the limitations of a classic Restricted Substances List, bringing in additional expertise to identify regulated substances and to control manufacturing processes, as well as proposing to use alternative technologies to avoid non-conformities. This information comes as a result of the assistance provided to our manufacturers to ensure adequate levels of production health and safety.

In 2017, we updated our health and safety standards for clothing, footwear and accessories, while also developing new standards for other types of products, such as cosmetics or products designed to be in contact with food. These new standards were developed within the general concept of **I+ (IPLUS, by Inditex Precautions and Limits for Users' Safety)**, which includes the applicable health and safety parameters, the requirements for documents and best manufacturing practices and the analysis

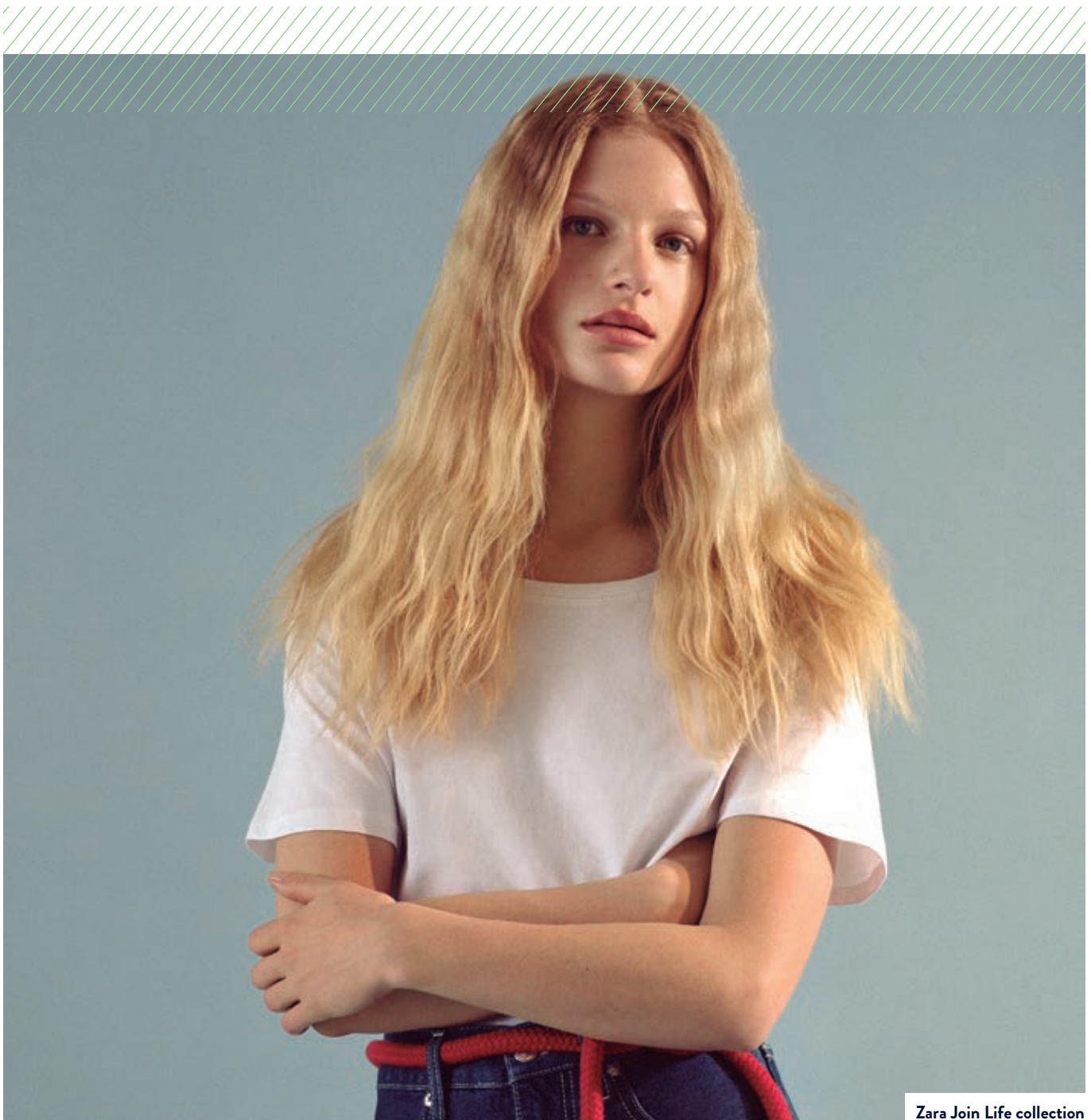
protocols for establishing compliance with the provisions of the standards.

- **Safe to wear** is the Inditex standard on product safety, aimed primarily at clothing for children and babies. It ensures that our garments have the necessary characteristics for avoiding risks to the safety of the customer.
- **Clear to wear**, our product health standard for clothing, footwear and accessories, which basically incorporates the strictest regulations worldwide on chemical substances in textile and leather goods.
- **I+Cosmetics**: our new standard, which is mandatory for all cosmetic products, deals with regulated chemical substances that can be used in these products, as well as pH and microbiological control at all stages of production and of the final products.
- **I+FCM** is the new health standard which is mandatory for all our products designed to be in contact with food. Its aim is to ensure that, under normal or foreseeable conditions of use, none of the substances in the products can be transferred to the food coming into contact with them.

The aim of our strategy for 2015-2020 is to create standards in line with I+ (IPLUS) for all the types of products we commercialise, reinforcing the existing technical lists or reports. Thus, we are working to implement new I+ health and safety standards for air freshener, candles and cots throughout 2018.

Likewise, in order to comply with our environmental commitments in general and our specific Zero Discharge of Hazardous Chemicals 2020 commitment in particular, we have our own Restricted Manufacturing Substances List (RMSL) to be used for all manufactured products. It specifies the chemical substances subject to specific restriction or whose use is prohibited.

In 2017, we updated our RMSL. It now includes more than 750 substances and, in 2020, it will include all substances carrying a minimum of risk to the environment.



Zara Join Life collection

	 safe to wear®	 clear to wear®	 i+COSMETICS	 i+FCM
TYPE	PRODUCT SAFETY		PRODUCT HEALTH	
SCOPE	Clothing, accessories and footwear	Clothing, fabrics, accessories, footwear and household textiles	Cosmetics	Products in contact with food
SUBSTANCES AND PARAMETERS	10	37	110	57

ENVIRONMENTAL PERFORMANCE: GREEN TO WEAR

To extend our environmental commitment to our supply chain, we devote significant resources to improving and reinforcing environmental principles. To this end, we focused on a global approach, where we promote the environmental improvement of the industry, seeking to minimise environmental impacts on ecosystems, with particular emphasis on water and the conservation of the environmental quality of river and marine ecosystems.

For this task, at Inditex, we have our Green to Wear programme, which ensures that our products are more environmentally responsible. Through this action and

improvement tool, we defined the minimum requirements for responsible environmental behaviour that should be complied with by our manufacturers and suppliers (dyehouses, tanneries, faux leather manufacturers, printing mills and washing and finishing mills).

Through this Programme, we have classified our manufacturers as A, B, C or D, according to their environmental performance. The suppliers with the best results, classified as A-Best in class or as B-Good performance can opt for the Plus+ category, i.e., A+ or B+, if they use the best Green to Wear technologies in their processes.

COMMITMENT TO ZERO DISCHARGE

At Inditex, we are committed to achieving Zero Discharge of Hazardous Chemical by 2020. This aim goes beyond existing international legislation and, in order to achieve it, Inditex has drawn on the cooperation of our suppliers and the chemical industry, as well as scientists and researchers in a variety of fields.

Our preventive programmes, *The List by Inditex* and *Ready To Manufacture*, are key to achieving this aim and, furthermore, their implementation is aimed at achieving the vision called *Clean Factory* by Greenpeace in our manufacturing chain, in collaboration with our suppliers and the chemical industry colouring agents, pigments and auxiliary chemical products.

The development and introduction of these programmes have made it possible to learn more about the substances used in the textile and leather industry. Given this situation, and in accordance with the application of the Precautionary Principle by Greenpeace, Inditex has taken on the responsibility of setting up a Working Group for Safety Studies on Chemical Substances. This group is made up of scientists from the Universities of Santiago de Compostela and Pompeu Fabra, experts in safety regulations and in experimental determination and computer simulations of the safety of chemical substances. The purpose of this initiative is to prepare a comprehensive database of substances that can be used in the fashion industry using the scientific data available. The substances on which there is currently not enough scientific data will be submitted to experimental and computer assessment. The resulting database will be presented during 2018.

Inditex is committed to continually assessing the progress of Zero Discharge, through strict assessment of the level of compliance by all the units in its production chain with the RMSL and Clear to Wear (CTW). Both the Green to Wear programme and the Picking Programme are key assessment instruments in this area. The best approach for achieving this aim is cleaning the factories in the supply chain, so that when non-compliance is detected in the wastewater or in the final product, we can analyse the root cause in order to identify the

source of the incident and prevent its recurrence in the future through the implementation of an action plan. The investigation is carried out by experts in textile and leather production and includes an audit of all the production facilities involved in the affected production, particularly their inventories of chemical substances and the manufacturing processes used.

In 2017, Inditex updated the Manufacturing Restricted Substances List (MRSL), worked on cases of substitution of substances included in the MRSL, assisted suppliers in publishing the results of the water analysis and proceeded with the identification of the wet process facilities.

Also committed to the transparency of our progress in this area, in 2017, we published all of the materials indicated above at www.wateractionplan.com.

TRANSPARENCY FOR ACHIEVING ZERO DISCHARGE

At Inditex, we work closely with the ZDHC (Zero Discharge of Hazardous Chemicals) organisation, supporting different initiatives, of particular note being ZDHC Gateway. We help our suppliers to publish the results obtained from the wastewater analysis conducted in the Green to Wear assessments on Gateway, the ZDHC platform developed specifically by the organisation for this purpose.

In the same way, we worked with the Chinese Institute of Public and Environmental Affairs (IPE) to improve the environmental management of our supply chain in China. In 2017, we worked with the IPE to prepare a map that will show the commitment to transparency and monitor the environmental performance of our suppliers in China.

The Green Supply Chain Map is a tool designed to show the environmental commitment of the main brands and their supply chains. The map associates the list of each brand's suppliers with environmental data, wastewater discharge and the emission of gases. At the same time, the map also helps consumers to understand the efforts the brand is making to reduce the environmental impact of the supply chain and influence their purchasing decisions.