

In 2017, we collect more than 12,000 tones of clothing, footwear and accessories through our Closing the Loop programme

CLOSING THE LOOP

CLOSING THE LOOP, IN 2017

- Collecting **12,229 tonnes of clothing, footwear and accessories**
- Present in **598 Zara stores in fourteen markets**
- Inditex is committed to extending this programme to **2,000 stores by 2020**

Collect, Reuse and Recycle. These are the three pillars of our *Closing the Loop* programme, which seeks to extend the useful life of textile products, encouraging their reuse and recycling. We collaborate with different non-profit organisations, with companies that specialise in recycling and with specialists in different technologies to prevent used garments from ending up in landfill.

Currently, this programme is fully implemented in our offices and logistics centres, as well as in 598 Zara stores in 14 markets worldwide. All Zara stores in Spain, Portugal, the United Kingdom, Ireland, the Netherlands, Sweden, Denmark, China, Hong Kong SAR and Macao SAR* have clothes collection containers, while this project is being implemented in a pilot phase in Austria, Lebanon, Japan and Canada.

Through a collaboration agreement with the Seur Foundation, we also offer the free-home collection for Zara.com customers in Spain. Also, thanks to a collaboration with Cáritas, and with the aim of extending this programme beyond our stores, 1,856 containers were installed on Spanish streets between 2016 and 2017.

We are working to expand this programme in the coming years to new markets and brands such as Oysho, Massimo Dutti and Bershka. It is committed to the *Global Fashion Agenda*, a project that will be rolled out in 2,000 stores by 2020 through collaboration agreements with 40 entities.

Since 2015, thanks to this programme, our customers have donated more than 357 tonnes of garments, footwear and accessories in stores and corporate offices, of which 47 tonnes have been donated through the Zara.com home collection option. 18,973 tonnes have been also collected on Spanish streets.

These garments are donated to the benefit of non-profit organisations, thanks to collaborations with social and third sector organisations such as Cáritas, Red Cross, CEPF, Salvation Army and Redress. They separate and classify item for distribution to the most suitable destinations. Thus, depending on their condition, garments are donated, repaired, recycled or sold to finance the social projects of these non-profit organisations.

To close the cycle of the garments that cannot be reused or the waste from textile manufacturing process, Inditex has joined forces with different business organisations and universities to promote sustainable innovation and develop new materials and technologies that enable textile waste to be recycled.

In this respect, a special mention should be made of the collaboration with Austrian company Lenzing, to convert textile waste into a new material, Refibra™ Lyocell, for use in our collections.

University collaborations include the partnership established with the MIT International Science and Technology Initiatives (MISTI) of the Massachusetts Institute of Technology (MIT), which supports mainly research to improve textile fibre recycling. In 2020, Inditex's investment in technology for textile recycling will have reached 3.5 million dollars, and it is committed to the *Global Fashion Agenda*. To this end, it has already invested nearly 2.3 million dollars in technology for textile recycling with MIT and Cáritas in 2017.

The Universities of Vigo—in collaboration with the University of Clermont, France, the Basque Country, Granada—jointly with that of Hamburg, Germany—and the Polytechnic University of Valencia have submitted projects to find new pioneering methods for separating fibres and subsequent recycling.

(*) Special Administrative Region.