





*SUSTAINABILITY
IN FIGURES*

Sustainability Balance Sheet

1. Summary of indicators

	2018	2017
OUR PEOPLE		
Total number of employees	174,386	171,839
Employees by sex (percentage)		
Men	25%	25%
Women	75%	75%
Employees by activity (percentage)		
Stores	87%	87%
Logistics	5%	5%
Manufacture	1%	1%
Central Services	7%	7%
Number of Nationalities	154	97
Average length of service to the Company		
Less than 5 years	70%	70%
Between 5 and 10 years	12%	15%
Over 10 years	18%	15%
Type of contract		
Permanent	73%	73%
Temporary	27%	27%
Type of workday		
Full-time	51%	50%
Part-time	49%	50%
SOCIALLY RESPONSIBLE SUPPLY CHAIN		
Number of product suppliers with purchase ⁽¹⁾	1,866	1,824
Number of A suppliers	661	661
Number of B suppliers	1,045	962
Number of C suppliers	80	101
Number of CAP suppliers	47	71
Number of PR suppliers	33	29
Number of rejected suppliers	50	64
Number of active suppliers	1,816	1,760
Number of factories declared by suppliers	7,235	7,210
Number of audits	12,064	11,247
Number of <i>pre-assessment</i> audits	2,177	2,252
Number of social audits	5,359	4,215
Number of special audits	1,982	2,159
Number of traceability audits	2,546	2,621
Number of external audits	8,568	7,118
Number of internal audits	3,496	4,129

	2018	2017
EXCELLENCE OF OUR PRODUCTS		
Garments placed on the market ⁽²⁾	1,597,260,495	1,550,152,707
Join Life garments put on sale (in millions)	136	73.6
Number of chemical products regulated by <i>The List, by Inditex</i> ⁽³⁾	25,943	19,780
Number of audits in the <i>Ready to Manufacture</i> Programme	2,008	1,735
Inspections of the <i>Picking</i> Programme	63,420	59,687
Number of analyses on garments in the <i>Picking</i> Programme ⁽⁴⁾	794,744	756,265
CIRCULARITY AND EFFICIENT USE OF RESOURCES		
Number of stores participating in the <i>Closing the Loop</i> Programme	1,382	598
Tonnes of garments collected through <i>Closing the Loop</i>	14,824	12,229
Global relative energy consumption (MJ/m ²)	1,068.26	1,096.21
% of the Group's energy needs covered with renewable energy	44.91%	40.73%
CO ₂ emissions per square metre (Kg CO ₂ per m ²) ⁽⁵⁾	76.56	78.54
Products recovered to be sent for recycling (t) ⁽⁶⁾	19,247	18,421
CONTRIBUTION TO COMMUNITY WELFARE		
Corporate Community Investment (CCI) (euros)	46,218,895	48,129,552
Number of direct beneficiaries	2,425,639	1,584,446
Number of community organisations supported	413	409
Number of CCI projects implemented	622	594
Number of garments donated to social causes	3,225,462	3,673,993
Number of hours spent by employees on CCI activities during working hours	118,077	73,457
Number of Social Board meetings	3	3
TRANSPARENCY AND GOOD GOVERNANCE		
Dow Jones Sustainability Index	68/100	78/100
FTSE4Good	4.3/5	4.8/5
SUSTAINABILITY TEAM		
Total number of people in the Sustainability Team	4,925	4,901
Internal Team	151	145
External Team	4,774	4,756

(1) Supplier A: Complies with Code of Conduct. Supplier B: Does not comply with some non-relevant aspect of the Code of Conduct. Supplier C: Does not comply with some sensitive, but not conclusive, aspect of the Code of Conduct. Supplier in Corrective Action Plan (CAP): Breaches of the Code of Conduct triggering the immediate implementation of a Corrective Action Plan. Supplier PR: Undergoing an auditing process.

(2) Includes all product units placed on the market through all stores, whether owned or franchised.

(3) Data of 2017 corresponds to III edition of the programme that started in 2015 and ended in March 2017. Data of 2018 corresponds to an estimation for the IV edition.



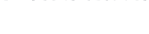




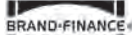
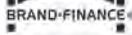







(4) Excludes analysis and trials of Tempe articles.

(5) Includes scope 1 and 2 emissions.

(6) Includes waste generated in the head office, brand head offices, all Inditex plants and logistics centres.

1.1. Mentions received by the Inditex Group in 2018

Entity	Mention	Score / Position
INDITEX		
SUSTAINABILITY AWARDS AND CERTIFICATIONS		
	Dow Jones Sustainability Index	68/100
	Classification on the Retailing Category	1
	Sustainability Yearbook	Gold
	Financial Times Sustainability For Good (FTSE4Good)	4.3/5
	CLIMATE CHANGE	A-
	FOREST	B
	WATER	B
	Ethical Fashion Report	A-
	Transparency Snapshot: A Pilot Benchmark Report	5 (70/100)
AWARDS AND PRIZES OF CORPORATE REPUTATION		
	Global 100 Most Sustainable Corporations	54
	The Most Innovative Companies	54
	Global 2000	289
	Apparel Rank The world's 25 Biggest Apparel Companies	2
	Make the World Great Again	4
	Merco Companies	1
	Merco Responsibility and Corporate Governance	3
	World's Most Valuable Fashion Company	1
	RepTrak Spain	47
	Global Powers of Retailing	35
	Companies with the best reputation in Spain	1
	Future Brand (McCann Worldgroup)	13
	The Gartner Supply Chain Top 25	2
ACKNOWLEDGEMENTS AND AWARDS FOR TALENT MANAGEMENT		
	Merco Talent	1
	Merco University Talent	3
	Most Attractive Employers Spain	3
	Best Company to Work in Textile Distribution	x

Entity	Mention	Score / Position
AWARDS AND PRIZES TO OUR BRANDS		
	Best Global Brands	25
	Best Spanish Brands	1
	Best valued Spanish fashion brand at an international level	1
	The World's Most Valuable Brands	46
	BrandZ Top 75. Most Valuable Global Retail Brands	10
	BrandZ Top 100. Most Valuable Global Brands	42
	BrandZ Top 30. Most Valuable Spanish Brands	1
	Global 500 The World's Most Valuable Brands	81
	The World's 50 Biggest Apparel Companies	3
	Top 100 Brand Spain	1
Massimo Dutti		
	BrandZ Top 30. Most Valuable Spanish Brands	9
	The World's 50 Biggest Apparel Companies	46
PULL&BEAR		
	BrandZ Top 30. Most Valuable Spanish Brands	11
Bershka		
	BrandZ Top 30. Most Valuable Spanish Brands	12
	The World's 50 Biggest Apparel Companies	31
Stradivarius		
	BrandZ Top 30. Most Valuable Spanish Brands	15

2. Indicators of socially responsible supply chain

2.1. Clusters of suppliers – Traceability






































	2018	2017
SPAIN		
Number of suppliers with purchase in the year	186	198
Number of sewing factories associated with suppliers with purchase	172	149
Number of factories involved in other processes associated with suppliers with purchase (*)	231	298
Workforce of manufacturers working for Inditex in Spain	8,804	10,553
PORTUGAL		
Number of suppliers with purchase in the year	165	161
Number of sewing factories associated with suppliers with purchase	875	819
Number of factories involved in other processes associated with suppliers with purchase (*)	410	525
Workforce of manufacturers working for Inditex in Portugal	51,811	49,694
MOROCCO		
Number of suppliers with purchase in the year	125	130
Number of sewing factories associated with suppliers with purchase	294	237
Number of factories involved in other processes associated with suppliers with purchase (*)	31	73
Workforce of manufacturers working for Inditex in Morocco	85,296	77,946
TURKEY		
Number of suppliers with purchase in the year	189	177
Number of sewing factories associated with suppliers with purchase	949	704
Number of factories involved in other processes associated with suppliers with purchase (*)	619	755
Workforce of manufacturers working for Inditex in Turkey	251,277	213,711
INDIA		
Number of suppliers with purchase in the year	121	131
Number of sewing factories associated with suppliers with purchase	203	231
Number of factories involved in other processes associated with suppliers with purchase (*)	164	151
Workforce of manufacturers working for Inditex in India	275,377	217,608
BANGLADESH		
Number of suppliers with purchase in the year	120	114
Number of sewing factories associated with suppliers with purchase	225	166
Number of factories involved in other processes associated with suppliers with purchase (*)	81	130
Workers of manufacturers working for Inditex in Bangladesh	536,934	541,029

	2018	2017
VIETNAM		
Number of suppliers with purchase in the year	5	5
Number of sewing factories associated with suppliers with purchase	136	128
Number of factories involved in other processes associated with suppliers with purchase (*)	13	17
Workers of manufacturers working for Inditex in Vietnam	137,548	151,395
CAMBODIA		
Number of suppliers with purchase in the year	2	2
Number of sewing factories associated with suppliers with purchase	133	92
Number of factories involved in other processes associated with suppliers with purchase (*)	11	35
Workers of manufacturers working for Inditex in Cambodia	143,026	126,529
CHINA		
Number of suppliers with purchase in the year	449	425
Number of sewing factories associated with suppliers with purchase	1,472	1,396
Number of factories involved in other processes associated with suppliers with purchase (*)	431	470
Workers of manufacturers working for Inditex in China	410,268	406,733
PAKISTAN		
Number of suppliers with purchase in the year	57	45
Number of sewing factories associated with suppliers with purchase	96	72
Number of factories involved in other processes associated with suppliers with purchase (*)	21	35
Workers of manufacturers that work for Inditex in Pakistan	231,779	161,950
ARGENTINA (**)		
Number of suppliers with purchase in the year	26	37
Number of sewing factories associated with suppliers with purchase	30	36
Number of factories involved in other processes associated with suppliers with purchase (*)	23	31
Workers of manufacturers working for Inditex in Argentina	3,630	4,355
BRAZIL (**)		
Number of suppliers with purchase in the year	4	12
Number of sewing factories associated with suppliers with purchase	5	25
Number of factories involved in other processes associated with suppliers with purchase (*)	2	19
Workers of manufacturers working for Inditex in Brazil	2,313	11,328

(*) Includes raw materials, cutting, dyeing and washing, printing and finishing. The main process has been considered for those factories that perform more than one process. Due to the updating of Inditex's traceability tool, the denomination of the processes in the internal systems has changed. Therefore, the information on processes is not comparable with that of previous years.

(**) All suppliers and active factories of the region are included for these data to be representative.

2.2. Workers at the Centre. 2018 review

PROGRAMMES	SDGs	Countries	Lines of action	Number of factories and suppliers	Number of workers benefitted	Other KPIs
 Worker participation	   	Turkey, Bulgaria, Romania, India, Bangladesh, Cambodia, Vietnam, Indonesia, and Myanmar	Training and awareness	86	114,094	5 members of the Sustainability team 5 local affiliates of IndustriALL
			Multilevel stakeholder relations	121	172,510	n.a.
			Transparency and collaboration on the ground	41	74,903	n.a.
 Living wages	   	Spain, Portugal, Turkey, Cambodia, India, China, Bangladesh, Pakistan, Romania, Bulgaria and Argentina	Promotion of collective bargaining	86	114,094	5 members of the Sustainability team 5 local affiliates of IndustriALL
			Responsible purchasing practices	n.a.	n.a.	142 buyers trained 107 awareness meetings with buyers
			Improved working methods and systems	25	18,013	n.a.
			Collaboration with stakeholders	n.a.	n.a.	2 countries as main focus of ACT: Cambodia and Turkey
			Support campaigns	n.a.	n.a.	Support campaign in Bangladesh
 Responsible purchasing practices	     	Spain, Turkey, India, Bangladesh, China, Cambodia and Argentina	Participation of Inditex's internal teams	n.a.	n.a.	142 buyers trained 107 awareness meetings with buyers More than 105,000 employees with access to sustainability training.
			Engagement with suppliers	154	n.a.	11 suppliers collaborated in ACT meetings
			Collaboration with the industry	n.a.	n.a.	Commitments to promote responsible purchasing practices
 Women empowerment	   	Morocco, Turkey, India and Bangladesh	Health	13	9,414	n.a.
			Protection	5	6,800	266 agents sensitized 6,407 schoolchildren trained 12,727 parents sensitized
			Empowerment	8	8,332	n.a.
 Occupational health and safety	   	Portugal, Morocco, India, Bangladesh and Pakistan	Identification and planning	39	94,097	n.a.
			Operation and support	64	12,395	Management of 60 communications
			Verification of positive impacts	207	421,632	691 verification visits
			Sustainability of improvements	49	54,096	n.a.
 Protection of migrants	   	Turkey, China and Brazil	Prevention and detection	n.a.	n.a.	1,193 social audits in Turkey and 1,350 in China
			Training and awareness raising	41	6,263	n.a.
			Remediation	n.a.	n.a.	140 individual remediation plans
			Integration	9	1,605	n.a.
 Training and awareness	   	Spain, Portugal, Morocco, Turkey, India, Bangladesh, Vietnam, Cambodia, China, Pakistan, Argentina and Brazil	Sustainability teams	n.a.	n.a.	47 members of the internal Sustainability team trained
			External auditors	n.a.	n.a.	557 external auditors trained
			Suppliers	1,107	n.a.	710 individual meetings with suppliers
			Purchasing teams and other areas	n.a.	n.a.	142 buyers trained 107 awareness meetings with buyers More than 105,000 employees with access to sustainability training.

2.3. 2014–2018 Strategic Plan

I Classification and volume of production of suppliers with purchase in 2018 (*)

	2018		2017		2018	2017
	No. of suppliers	% Suppliers	No. of suppliers	% Suppliers	% production	% production
A	661	35%	661	36%	37%	37%
B	1045	56%	962	53%	59%	58%
C	80	4%	101	5%	2%	2%
CAP	47	3%	71	4%	1%	2%
PR	33	2%	29	2%	1%	1%
Total general	1,866	100%	1,824	100%	100%	100%

I Classification and production volume of suppliers with purchase in 2018 per region (*)

	2018		2017		2018	2017
	No. of suppliers	% Suppliers	No. of suppliers	% Suppliers	% production	% production
Africa						
A	67	46%	66	44%	52%	53%
B	59	40%	59	39%	37%	35%
C	13	9%	8	5%	9%	5%
CAP	5	3%	15	10%	2%	6%
PR	1	2%	3	2%	0%	1%
Total general	145	100%	151	100%	100%	100%
America						
A	13	59%	28	58%	30%	36%
B	8	36%	18	38%	70%	63%
C	1	5%	2	4%	0%	1%
CAP	0	0%	0	0%	0%	0%
PR	0	0%	0	0%	0%	0%
Total general	22	100%	65	100%	100%	100%
Asia						
A	273	26%	269	27%	30%	30%
B	695	67%	616	63%	66%	66%
C	42	4%	62	6%	3%	2%
CAP	16	2%	31	3%	1%	2%
PR	14	1%	2	1%	0%	0%
Total general	1,040	100%	980	100%	100%	100%
Europe (non-EU)						
A	76	38%	62	34%	51%	47%
B	89	45%	85	47%	41%	44%
C	14	7%	15	8%	3%	4%
CAP	18	9%	15	8%	4%	4%
PR	3	1%	5	3%	1%	1%
Total general	200	100%	179	100%	100%	100%
European Union						
A	232	51%	236	51%	41%	43%
B	194	42%	184	40%	58%	56%
C	10	2%	14	3%	0%	0%
CAP	8	2%	10	2%	0%	0%
PR	15	3%	19	4%	1%	1%
Total general	459	100%	463	100%	100%	100%

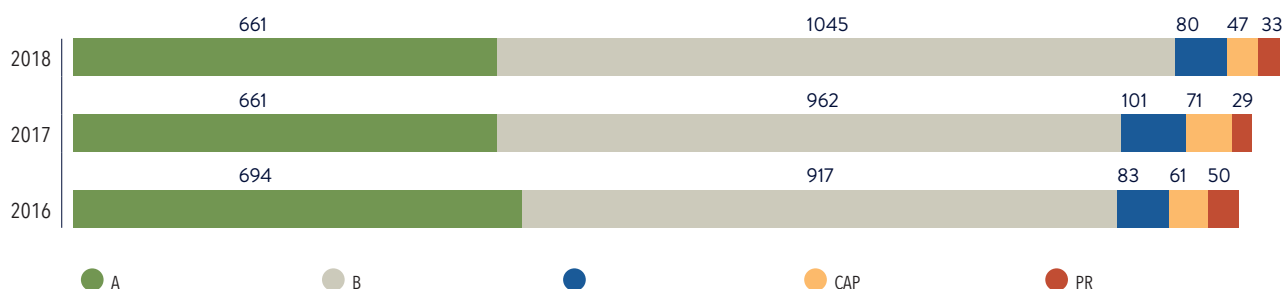
(*) Supplier A: Complies with Code of Conduct.

Supplier B: Does not comply with some non-relevant aspect of the Code of Conduct.

Supplier C: Does not comply with some sensitive, but not conclusive, aspect of the Code of Conduct.

Supplier in Corrective Action Plan (CAP): Breaches of the Code of Conduct triggering the immediate implementation of a Corrective Action Plan.

Supplier PR: Undergoing an auditing process

| Evolution of the classification of suppliers in the past three years ^(*)

(*) Supplier A: Complies with Code of Conduct.

Supplier B: Does not comply with some non-relevant aspect of the Code of Conduct.

Supplier C: Does not comply with some sensitive, but not conclusive, aspect of the Code of Conduct.

Supplier in Corrective Action Plan (CAP): Breaches of the Code of Conduct triggering the immediate implementation of a Corrective Action Plan.

Supplier PR: Undergoing an auditing process.

| Total audits per region 2018

Geographical area	Pre-Assessment	Social	Special	Traceability	Total
Africa	96	380	130	554	1,160
America	15	55	132	561	763
Asia	1,429	2,473	1,398	481	5,781
Europe (non-EU)	378	1,241	201	733	2,553
European Union	259	1,210	121	217	1,807
Total general	2,177	5,359	1,982	2,546	12,064

| 2018 External and internal audits

	Pre-Assessment	Social	Special	Traceability	Total
Internal	10	637	1,141	1,708	3,496
External	2,167	4,722	841	838	8,568
Total general	2,177	5,359	1,982	2,546	12,064

| 2018 Corrective Action Plan in factories with sensitive non-compliances with the Code of Conduct

Geographical area	Factories that started the improvement process	Factories that improved compliance	Factories in process of improvement	% of CAPs successfully completed
Africa	18	3	8	30%
America	2	1	0	50%
Asia	114	36	51	57%
Europe (non-EU)	194	34	99	36%
European Union	89	26	27	42%
Total general	417	100	185	43%

3. Indicators of the excellence of our products

3.1. Results of the Picking Programme

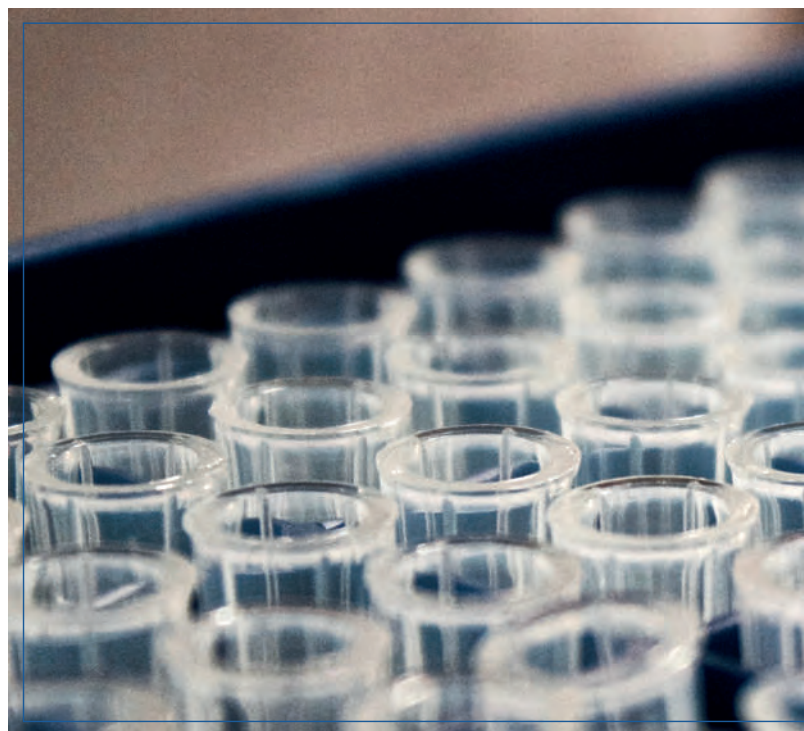
The *Picking Programme* allows us to validate that our products comply with the health and safety standards of Inditex, *Clear to Wear* (CtW) and *Safe to Wear* (StW). In 2018, the initial degree of compliance with our standards was 97.4%. For those initially non-complying cases (2.6%), we apply remediation protocols so that these products are properly fixed, the presence of restricted substances is eliminated, and parameters such as colour soundness are improved to achieve compliance.

Degree of initial compliance

	2018	2017	2016
CtW - Chemical substances	99.1%	99.1%	99.2%
CtW - Parameters	98.6%	98.9%	98.2%
CtW	97.7%	98.0%	97.5%
StW - Parameters	99.8%	99.8%	99.9%
StW - Design	99.8%	99.8%	99.7%
StW	99.6%	99.6%	99.6%
CtW + StW	97.4%	97.6%	97.1%

Degree of initial compliance per geographical area

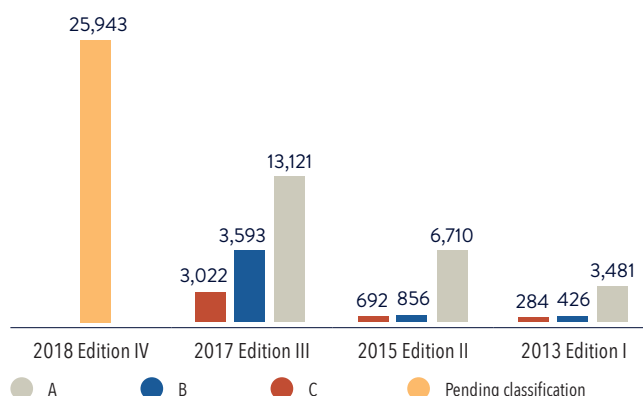
Africa	2018	2017	2016
CtW	97.7%	98.4%	98.0%
StW	99.4%	99.0%	99.2%
CtW + StW	97.1%	97.4%	97.3%
America	2018	2017	2016
CtW	96.1%	97.7%	98.7%
StW	100.0%	100.0%	100.0%
CtW + StW	96.1%	97.7%	98.7%
Asia	2018	2017	2016
CtW	97.5%	97.7%	97.1%
StW	99.8%	99.8%	99.8%
CtW + StW	97.3%	97.6%	96.9%
European Union	2018	2017	2016
CtW	98.3%	98.7%	98.2%
StW	99.5%	99.3%	99.3%
CtW + StW	97.8%	98.1%	97.5%
Non-European Community	2018	2017	2016
CtW	99.6%	98.7%	97.3%
StW	100.0%	100.0%	99.0%
CtW + StW	99.6%	98.7%	96.2%



3.2. The list, by Inditex Programme

The List, by Inditex contains a register of chemical products available on the market that are used in the manufacturing processes of textiles and leather. Throughout 2018, we have worked on the development of the IV edition of the programme, in which 57,267 analyses that were carried out will allow the classification of 25,943 chemical products.

Evolution of the substances regulated by *The List, by Inditex* by edition (*)



(*) Chemical products "A": Their use is permitted in the production of Inditex without additional analyses of the installations using them.

Chemical products "B": The use of these products in the supply chain of Inditex involves performing additional analyses during production, as set out in the *Ready to Manufacture Code*.

Chemical products "C": The use of these chemical products is prohibited in Inditex production.



3.3. Ready to Manufacture Programme

The *Ready to Manufacture* (RtM) Programme defines a number of rules and requirements applicable to all Inditex direct suppliers, both of textiles and leather, as well as their wet process facilities (dry cleaner's, laundries, tanneries and stamping).

To ensure compliance with the *Ready to Manufacture* Programme, a supervision and control programme is applied to the facilities involved in our production. In 2018, 2,008 audits were performed.

3.4. Health and safety claims

Inditex takes as its top priority the safeguarding of the health and safety of its customers. For this reason, it has demanding standards, constant training and awareness-raising plans and exhaustive prevention and control programmes, which enable it to achieve maximum levels

of safety concerning the appearance of non-conformity issues. However, given the potential occurrence of incidents, the product health and safety teams are in continuous communication and coordination with customer service teams, country management teams and any other area of the Company that could be a potential channel for the communication of incidents and/or claims.

In particular, any notification or complaint made by a customer, control body, non-governmental organisation or any other entity that is involved in the health, safety and environmental sustainability of the product is addressed to the health and safety technical teams for evaluation and follow-up. As part of Inditex's commitment, in those cases where there are indications that a marketed product may be unsafe for consumers, the final withdrawal from the stores and the recovery of the units sold would be carried out, and consumers would be informed through the relevant channels.

No product health and safety withdrawals have been made during 2018.

Facilities audited in the *Ready to Manufacture* Programme by geographical area and process

	Dry cleaner's			Laundries			Stamping			Tanneries			Mix (*)		
	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016	2018	2017	2016
Africa	22	15	10	9	10	6	9	4	4	0	0	0	3	3	2
Asia	457	373	299	225	173	98	156	138	97	30	20	17	182	140	121
European Union	133	75	72	22	14	17	78	68	70	26	14	17	33	26	29
Total general	612	463	381	256	197	121	243	210	171	56	34	34	218	169	152

(*) Mix: these are wet process facilities where more than one manufacturing activity is performed.

4. Indicators of efficient resource use

The set of environmental indicators of Inditex and the results obtained during the fiscal year 2018 are given below. These quantitative indicators allow the advances obtained through the management of natural and energy resources during the fiscal year to be assessed.

4.1. Indicators scope

The environmental indicators system includes the data obtained between 01 February 2018 and 31 January 2019.

The data are shown in absolute and relative terms, with the latter being calculated based on the surface square metres of our facilities, for the purpose of representing the efficiency reached after the company activities and the continuous improvement derived from the management.

The scope of the indicators includes the facilities of the Inditex Group, specifically:

- The head offices and the head offices of all brands: Zara, Pull&Bear, Massimo Dutti, Bershka, Stradivarius, Oysho, Zara Home, Uterqüe and Tempe, all of them located in Spain.
- All Group factories, all of them located in Spain.
- All Group logistics centres.
- All of our own stores.

International offices are not included within the scope. Indicators where the scope is different are given together with the relevant data. In addition, the data corresponding to electricity consumption, natural gas consumption, energy purchases from renewable sources and Scope 1, 2 and 3 emissions have varied with respect to the data reported in the Statement on Non-Financial Information, due to the fact that some data were not available at the time the said Statement was prepared.

4.2. Factors employed in the calculation

For the greenhouse gas calculations, the indications of the Intergovernmental Panel on Climate Change, IPCC (*Guidelines for National Greenhouse Gas Inventories*, 2006) and the World Resources Institute GHG Protocol (2015) are followed. The emission factors used are as follows:

- Natural gas: 0.2021 Kg CO₂eq/kWh.
- Diesel: 2.6853 Kg CO₂eq/litre.
- Fuel oil: 2.9486 Kg CO₂eq/litre.
- Kerosene: 2.4995 Kg CO₂eq/litre.

The emission factors applied to natural gas, gas oil, fuel oil and kerosene come from the *GHG Protocol* tool for the calculation of emissions derived from stationary combustion, version 4.1 of the World Resources Institute (WRI), 2015. For the calculation of emissions for electricity consumption, the emission factor for the energy mix of each market where Inditex is present has been used. The database used corresponds to the *GHG Protocol* calculation tool of emissions derived from the electricity purchased, version 4.9 of the World Resources Institute (WRI), 2017.

- Conversion factors:
 - 1 tonne of diesel = 1.035 equivalent tonnes of oil (tep.).
 - 1 tonne of fuel oil = 0.96 equivalent tonnes of oil (tep.).
 - 1 tonne of kerosene = 1.065 equivalent tonnes of oil (tep.).
 - Diesel density = 0.832 kg/litre at 15° C (Joint Research Centre, 2007).
 - Fuel oil density = 0.79 kg/litre (World Resource Institute (2015). *GHG Protocol tool for stationary combustion*. V.4.1.)
 - Kerosene density = 0.94 kg/litre (World Resource Institute (2015). *GHG Protocol tool for stationary combustion*. V.4.1.)
 - 1 tep = 41.868 GJ.
 - 1 GJ = 277.778 kWh.



4.3. Calculation of relative indicators

The calculation of the relative indicators is performed according to the following formulae:

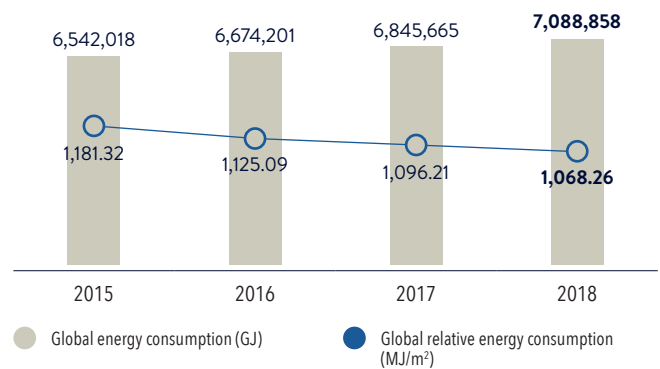
- Ratio per square metre (m²) = (absolute value of the year/total number of area in m²) x 1,000

4.4. Calculations of environmental indicators

4.4.1. Energy consumptions

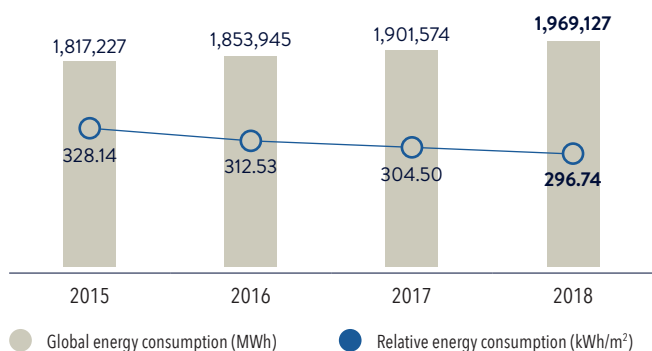
This indicator gathers all energy consumed in our own factories, offices, logistics centres and Group stores throughout the world. The energy used comes mainly from the supply network and, to a lesser extent, the consumption of natural gas and diesel.

I Global energy consumption (GJ) (*)



(*) The values in the graph have been modified with respect to the 2017 Annual Report, due to the fact that the value of the GJ conversion factor has been updated. The energy consumption for 2017 has also been updated, due to the consumption of natural gas in January 2018, which was estimated in previous fiscal year.

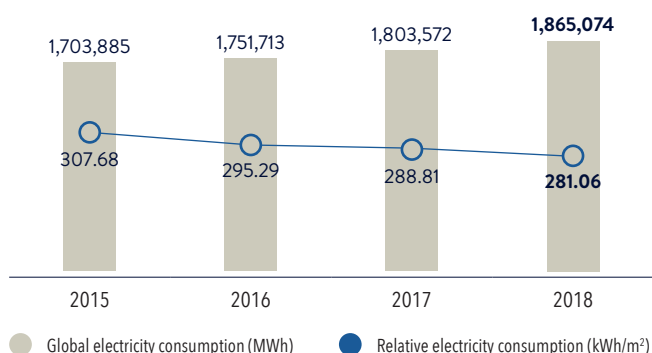
| Global energy consumption (MWh) (*)



(*) The energy consumption for 2017 has also been updated, due to the consumption of natural gas in January 2018, which was estimated in previous fiscal year.

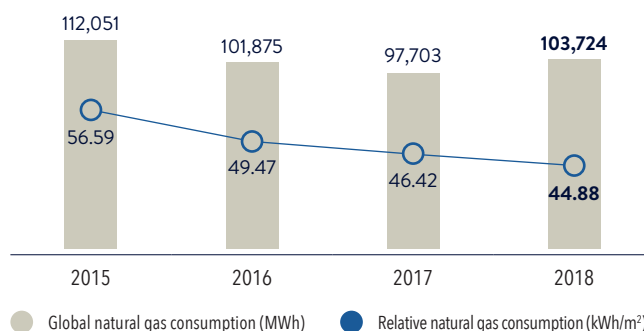
The energy consumed is expressed in Gigajoules (GJ) and Megawatts per hour (MWh). The graphs show that this consumption follows a slightly growing trend in absolute terms due to the Group expansion. In 2018, the global energy consumption of the Group's corporate headquarters, its own plants, logistics centres and stores around the world amounted to 1,969,127 MWh. In this sense, and despite the increase of more than 200,000 square metres of facilities dedicated to central services, design and logistics, our measures implemented to promote energy saving have enabled us to reduce our relative energy consumption per square metre by 2.55% when compared to 2017.

| Global network electrical energy consumption (MWh)



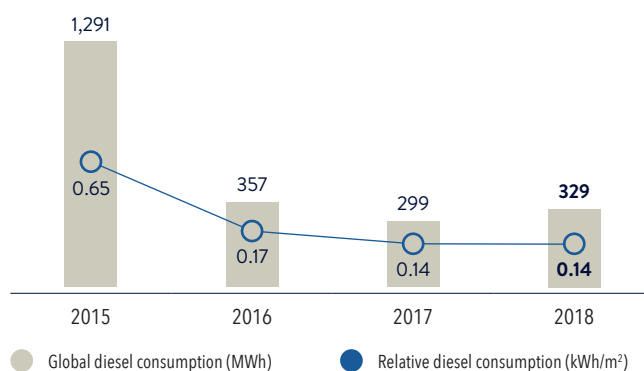
In the case of electricity consumption, we have achieved a reduction of 2.68% per square metre. In addition, it must be noted that the purchase of energy of certified renewable origin has continued to grow, reaching a total of 837,050 MWh that has been consumed in our facilities in Spain, Germany, Austria, Belgium, Brazil, France, Greece, Holland, Ireland, Luxembourg, Monaco, Poland, Portugal, the UK, Turkey, Switzerland and in our LEED stores in the US, India, China, Norway and South Korea.

| Global natural gas consumption (MWh) (*)



(*) The energy consumption for 2017 has also been updated, due to the consumption of natural gas in January 2018, which was estimated in previous fiscal year.

| Global diesel consumption (MWh)



In 2018 we moved sharply towards our ambitious goal for 2025, where we commit ourselves to make that 80% of our energy needs come from renewable sources.

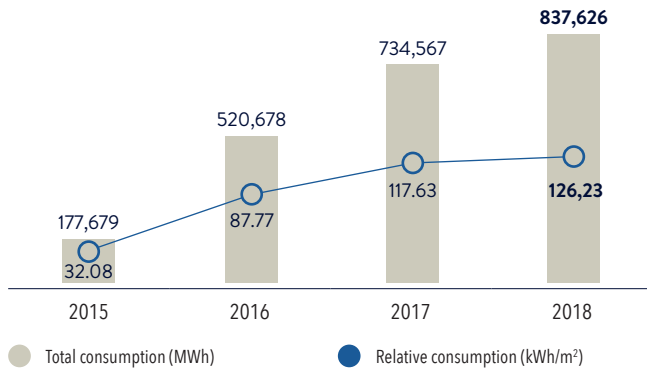
This is why we are working on energy transitioning, reducing our need for fossil fuels per square metre and increasing the purchase of certified renewable energy. During 2018, despite the increase in the area dedicated to central services, design and logistics, we reduced our relative consumption of natural gas per square metre by 3.33% when compared to 2017. As for diesel, the relative consumption per square metre has remained constant, thanks to the measures implemented in our facilities to promote energy saving.

In addition, we invest in our own renewable energy generation facilities when technically feasible, which leads us to have solar thermal, photovoltaic and wind energy, as well as facilities for the use of geothermal resources.

The combination of both actions has allowed 44.91% of the Group's energy needs in 2018 to be covered by clean energy; this has involved a total consumption of 837,626 MWh obtained sustainably.

At Inditex we also have cogeneration systems, which allow the simultaneous production of heat and energy from low-carbon fuel. In 2018, we generated a total of 17,317 MWh of electricity from these plants.

Electricity consumption coming from renewable sources (MWh) (*)

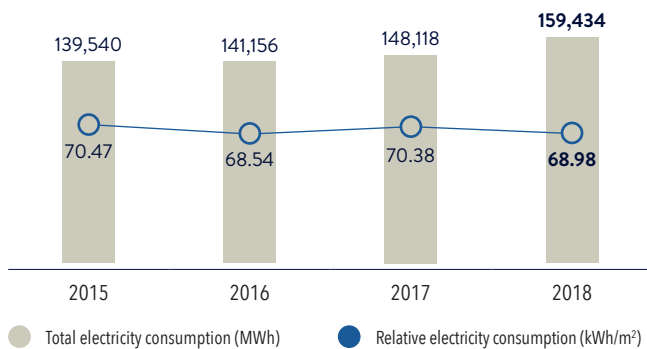


(*) In the case of Spain, Greece, Portugal and Switzerland the period of the data is the calendar year instead of the fiscal year (time period established in this report).

Own logistics centres, own offices and own plants

Our buildings are built according to eco-efficiency criteria. In addition, their daily management promotes the promotion of good practices among our employees. This, together with the implementation of the Efficiency Plan, makes it possible to control the consumption of resources and to apply measures to reduce it.

Electricity consumption at our own logistics centres, offices and factories (MWh)



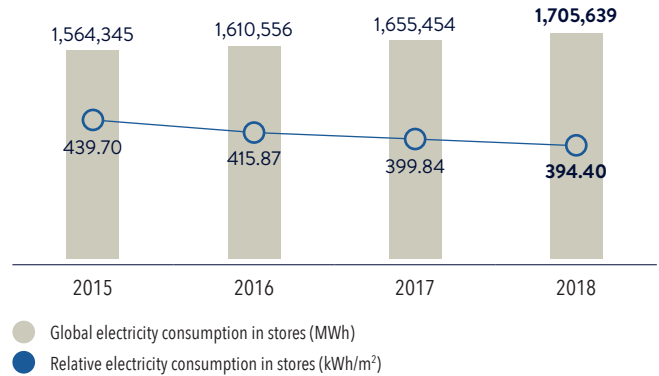
Thanks to these measures, as shown in the above graph, we have reached a 1.98% reduction in electricity consumption per square metre, compared to 2017. The measures implemented include mainly the renewal of old equipment, the replacement of fluorescent lamps by high-efficiency LED bulbs and lithium ion batteries. This reduces energy requirements.

Own stores

The application of the measures set out in the Eco-Efficient Store Manual in the new openings and renovations, has allowed us to reach a total of 5,494 eco-efficient stores in 2018, which means about 86% of the total of our own Group stores.

This year we continued connecting our stores to Inditex's centralised management platform, which allows efficiency to be improved in real time. At the end of 2018, we reached 3,191 stores all over the world. Thanks to all these sustainability and energy efficiency measures implemented, an 1.36% reduction has been achieved in electricity consumption per square metre, compared to the previous year, despite the increased number of store openings and the increased surface area of our facilities.

Estimated electricity consumption in own stores (MWh) (*)



(*) Electricity consumption has been calculated using real data from the central monitoring platform. To estimate mean consumption, data from 1,559 stores have been considered, and 100% of them were eco-efficient. The goal is that 100% of our own stores are eco-efficient by 2020.

4.4.2. Greenhouse gas emissions

The Greenhouse Gas (GHG) emissions of the Inditex Group are calculated and reported following the international guidelines of the Intergovernmental Panel on Climate Change, IPCC (*Guidelines for National Greenhouse Gas Inventories*, 2006) and the World Resources Institute (*GHG Protocol*, 2015). For the calculation of emissions for electricity consumption, the emission factor for the energy mix of each market where Inditex is present has been used. The database used corresponds to the *GHG Protocol tool for stationary combustion*. V. 4.1 (World Resources Institute (WRI), 2015) and the *GHG Protocol tool from purchased electricity*. V. 4.9 (World Resources Institute (WRI), 2017). The inventory of GHG emissions of the Inditex Group includes direct and indirect emissions from 01 February 2018 to 31 January 2019.

The data history is given below based on each scope considered by the *GHG Protocol*:

Scope 1 and 2 emissions

Scope 1: Direct emissions. These are the GHG associated with sources that are under the direct control of the Inditex Group. Includes:

- Emissions from the production of heat and electricity at our own facilities detailed at the start of the chapter. Emissions associated with occasional leaks of HFC and PFC gases from air-conditioning units are not included.
- Emissions from the use of own vehicles.

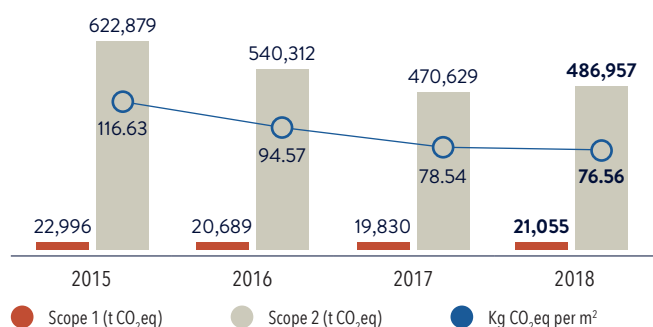
Scope 2: Indirect emissions. They are associated with the generation of electricity acquired by the Inditex Group. For their calculation, GHG emissions have been accounted for in association to all our own facilities, defined at the beginning of the chapter. Electricity acquired in international offices is excluded.

Types of emission	2015	2016	2017	2018
Scope 1 (t CO ₂ eq)	22,996	20,689	19,830	21,055
Scope 2 ⁽¹⁾ (t CO ₂ eq)	622,879	540,312	470,629	486,957
Kg CO ₂ per square metre (m ²) ⁽²⁾	116.63	94.57	78.54	76.56

(1) The Scope 2 data is calculated by the *market-based* method following the *GHG Protocol* guide for calculating Scope 2, World Resources Institute (WRI), 2015. Due to the emission factors used, the data provided is consistent with the data calculated by the *located-based* method.

(2) The efficiency ratio includes the emissions associated with the Group operations (scope 1 and 2).

| GHG scope 1 and 2 emissions (*)



(*) The energy consumption for 2017 has also been updated, due to the consumption of natural gas in January 2018, which was estimated in previous fiscal year.

Despite the increase in the surface area of our facilities and thanks to the actions taken to promote energy efficiency, as well as the purchase of more than 837,050 MWh of certified renewable electricity, we have reduced GHG emissions in relative terms, reaching a reduction of 2.52% per square metre when compared to 2017.

Scope 3 emissions

Scope 3: Additional scope including indirect emissions associated with the production chain of goods and services, produced outside the organisation. Emissions associated with the transport of products from our suppliers to our logistics centres (*upstream*) and from these to the stores (*downstream*), both performed by external logistics operations (air, sea, land transport), as well as the emissions associated with electricity consumption in franchised stores.

For the purpose of improving our efficiency associated with distribution and logistics operations, we have continued to improve the efficiency of our fleet and included measures to optimise packing and packaging to thus reduce emissions associated with transport. In the case of indirect emissions from our franchised stores, we saw a slight increase in them, derived from the growth of the franchised commercial surface area.

During this year, the emissions associated with *downstream* transport and *upstream* transport are the equivalent to an energy consumption of 4,263,677 MWh and 3,067,283 MWh, respectively. The electricity consumption of the franchised stores was 238,176 MWh.

Types of emission	2015	2016	2017	2018
Scope 3 (t CO ₂ eq) - Business travel:	24,450	27,736	28,969	28,172
Scope 3 (t CO ₂ eq) - Downstream transport:	672,307	825,294	921,405	926,764
Scope 3 (t CO ₂ eq) - Upstream transport:	428,258	549,913	639,039	676,642
Scope 3 (t CO ₂ eq) - Franchised stores ^(*)	94,262	103,923	121,171	129,710

(*) Electricity consumption has been calculated using real data from the central monitoring platform. To estimate mean consumption, data from 1,559 stores have been considered, and 100% of them were eco-efficient.

The transport calculation is based on the weight of the product delivered and the number of kilometres by each mode of transport. The following emission factors are used, proposed by the *GHG Protocol tool for mobile combustion* V.2.6. (World Resources Institute (WRI), 2015).

The Business Travel calculation has been carried out according to the number of passengers and the number of kilometres travelled by each means of transport used. The emission factors used are those proposed by DEFRA (Department for Environment Food & Rural Affairs, v.1.0, 2018).

4.4.3. Inditex zero waste to landfill

Through the Zero Waste Programme, and continuing with our Strategic Environmental Plan, at Inditex we are working to integrate the circular economy strategy into our business model, as well as to ensure that by 2025 the waste from our activities does not end up in any landfills. For this, we have different tools, such as the Waste Minimisation Plan or the Manual for the Management of Waste from Stores, and the Corporative Procedure to Materials Management, which allow waste to be managed more efficiently in our centres. In addition, we promote actions for reduction at source and improvement of recycling through projects to train our employees.

In this way, we continue working on the improvement of projects such as the *Closing the Loop* Programme, for the collection of used clothes; or the *Green to Pack* Programme, which continues to prioritise the use of recycled materials, extending their life and improving their subsequent recycling.

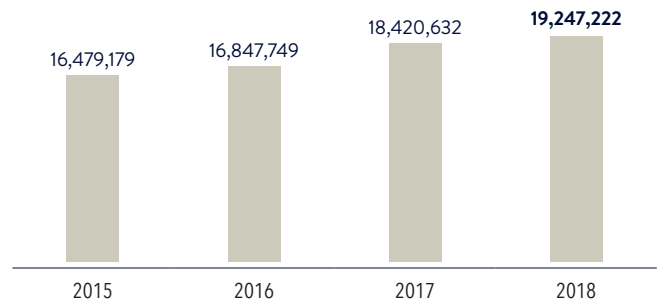
The waste generation data given below reference the waste generated in headquarters, in all Inditex plants and logistics centres. Waste generated in stores is not included.

Evolution of products recovered to be sent to recycling (kg)

At Inditex, the waste generated (mainly paper, cardboard, wood, plastics, metal and textile waste) is channelled

through our own collection circuits and treated by legally authorised managers in order to encourage its recycling or recovery. In 2018, 88% of the waste we generated has been sent for reuse and recycling through the aforementioned circuits, thus avoiding the use of virgin raw materials.

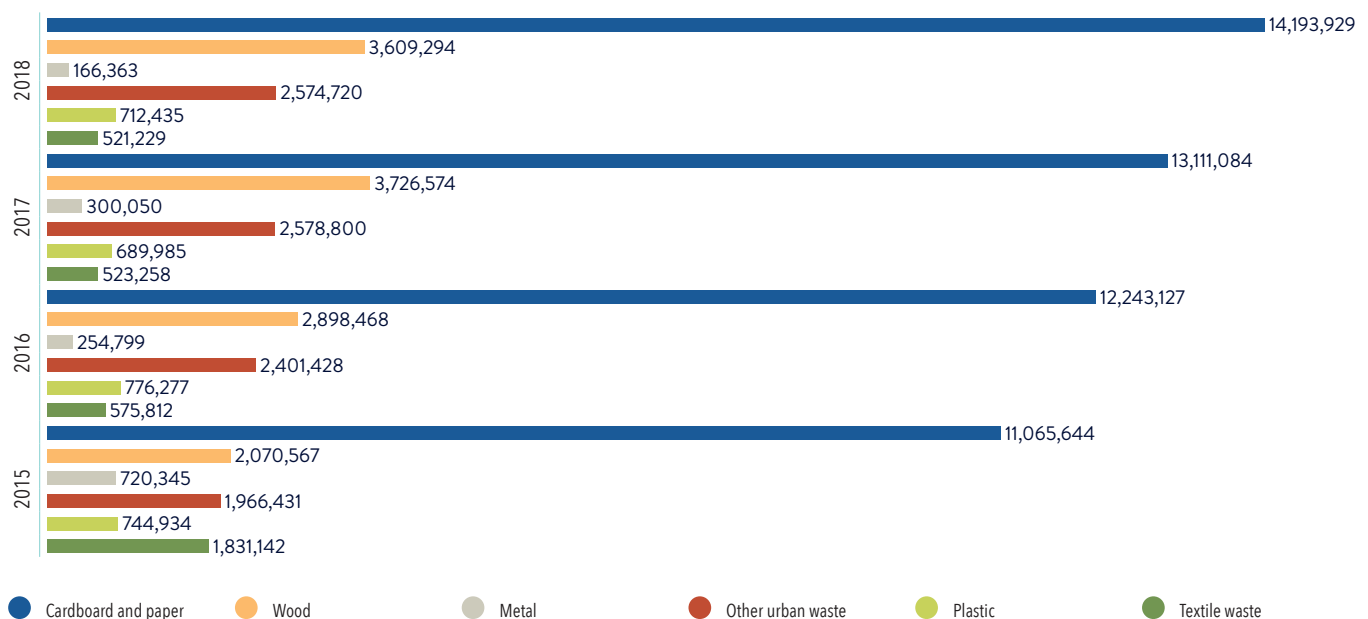
I Products recovered to be sent to recycling (kg)



Annual generation of urban or similar waste

We classify our waste according to the European Waste List (EWL) and its transposition into national and regional regulation. The main waste is cardboard and paper, plastic, wood, metal and other textiles, which is managed by legally authorised managers who send it to recycling. The increased generation of this waste is due to the expansion of the Group's logistics capacity, in addition to the current facilities being maintained and the improvement in the separation at source process.

I Absolute Data (kg) (*)



(*) The data for other urban waste has varied with respect to the Management Report due to the receipt of new waste treatment certificates.



Evolution of the main hazardous waste

Thanks to the task of separation at source and subsequent delivery to a legally authorised manager, in 2018, we achieved about 83% of our hazardous waste recycled, valued and suitably processed for recovery. This prevents that our hazardous waste is sent to a landfill and reduces the need to obtain new raw materials. The generation of the main hazardous waste is given below.

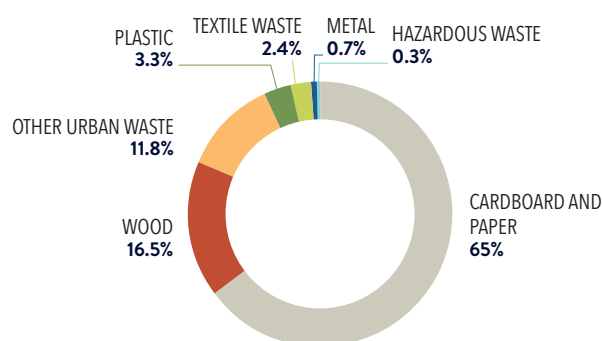
Type of waste (kg)	Final processing	2015	2016	2017	2018
Batteries	Recycling	9,532	7,945	6,580	9,193
Waste electronics	Recycling	10,094	9,776	10,149	25,091
Fluorescents	Gas extraction and recycling	5,387	26,000	6,207	3,446
Used mineral oil	Recycling	15,080	8,242	5,083	6,766
Contaminated absorbents	Energy recovery and controlled disposal	2,786	4,969	5,818	6,873
Contaminated plastic containers	Recycling	1,366	1,521	1,740	1,061

The significant increase in electronic waste during 2018 is mainly due to the replacement by the technological renovation of terminals at points of sale and office equipment.

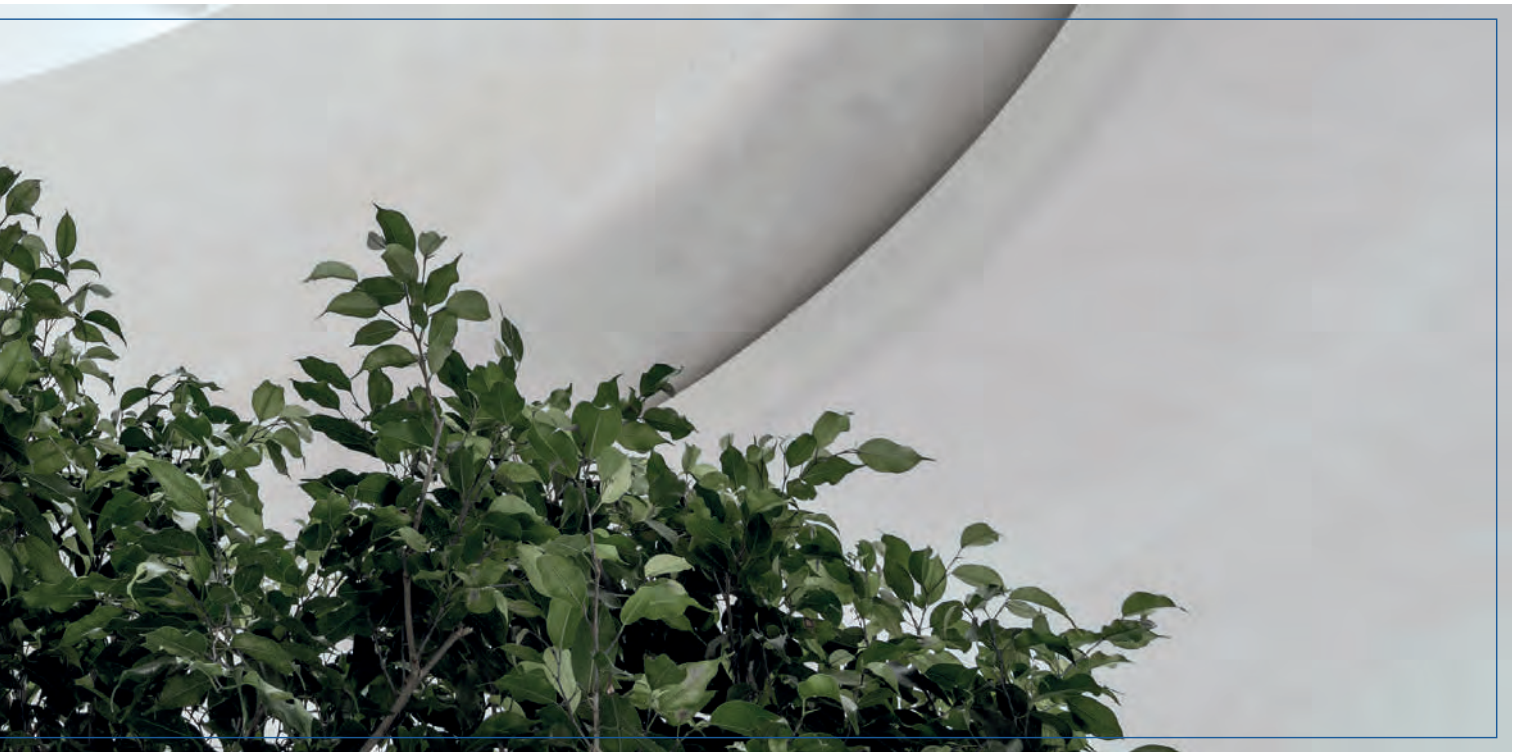
Destination of waste by type and processing

In accordance with our Waste Minimisation Plan, and thanks to the effort and commitment of our employees, the waste generated by Inditex (mainly paper and cardboard, wood, plastics, metal and textile waste) is separated at source and collected and managed by legally authorised managers for its subsequent recycling and for other appropriate treatments to enable its recovery and environmentally sound management.

I Percentage of waste generated in weight



Associated with our products, we place packing and packaging materials (cardboard and plastic bags, labels, protective elements, among others) on the market that must be adequately managed by authorised managers. Therefore, Inditex adheres to the Packing and Packaging



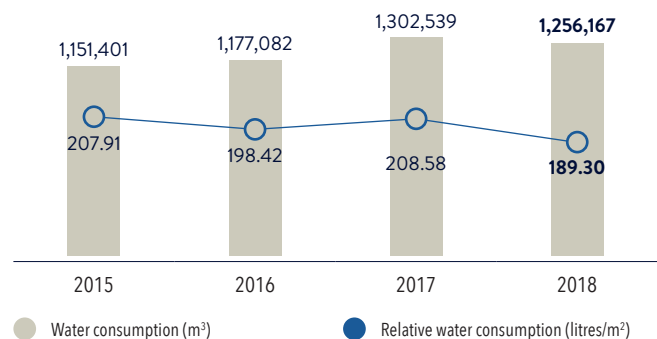
Management Integrated Systems available in the markets where it operates. This means that each Inditex brand pays the cost of collecting and managing the waste generated by the stores to a non-profit managing body (for example, in the case of Spain such managing body is Ecoembes) authorised by each country, to guarantee that this waste is adequately recycled.

As there is no specific collection and management system for textiles globally, it is not possible to assess the volume generated and its suitable management worldwide. Inditex contributes to the creation of a channel which allows the reuse and recycling of products marketed through our Closing the Loop Programme, for the collection of used clothes.

4.4.4. Water consumption in offices, Inditex plants, logistics centres and owned stores

In order to obtain the information about water consumption we carry out direct measurements and records of receipts from suppliers (public supply networks). During 2018, we consumed a total of 1,256,167 m³ of water in our corporate offices, our own plants, logistics centres and our own stores. Thanks to the efficiency and water saving measures carried out at our facilities, we have reduced the relative water consumption per square metre by 9.24% when compared to 2017.

I Water consumption (m³)



The authorised public supply networks provide water to all centres and they are used both for consumption and for processes. The highest water consumption is domestic, mainly for cleaning and bathrooms, ensuring its discharge into municipal wastewater systems.

On the other hand, in the industry, water is mainly for the generation of steam and for closed-circle industrial refrigeration, where recirculation systems are used. Refrigeration systems are closed cycle as there are no production processes where water is consumed. This allows the estimate that the water discharged is equal to water consumed. Wastewater discharges from all facilities are into sewage networks. Inditex has no impact on protected habitats.

5. Indicators of contribution to community welfare

	2018	2017	2016	Variation 2016-2018
Corporate Community Investment (CCI) (in euros)	46,218,895	48,129,552	40,042,744	15%
Corporate Community Investment (CCI) / Net profit	1.34%	1.43%	1.14%	18%

Form of contribution (in euros)	2018	2018 (%)	2017	2017 (%)	2016	2016 (%)	Variation 2016-2018	
Cash	30,109,825	65%	31,563,507	66%	27,980,509	70%	8%	% of management costs included
Time	3,542,309	8%	2,204,859	5%	1,929,798	5%	84%	
In kind	11,935,563	26%	13,812,547	29%	9,584,482	24%	25%	
Management costs	631,198	1%	548,639	1%	547,955	1%	15%	
TOTAL	46,218,895	100%	48,129,552	100%	40,042,744	100%	15%	

Driver for contribution (in euros)	2018	2018 (%)	2017	2017 (%)	2016	2016 (%)	Variation 2016-2018	
Charitable gifts	1,801,149	4%	3,263,743	7%	3,395,686	9%	-47%	% of management costs excluded
Community investment	36,179,975	79%	37,020,064	78%	29,245,004	74%	24%	
Commercial initiatives in the community	7,606,572	17%	7,297,107	15%	6,854,099	17%	11%	
TOTAL	45,587,697	100%	47,580,913	100%	39,494,788	100%	15%	

Issue addressed (in euros)	2018	2018 (%)	2017	2017 (%)	2016	2016 (%)	Variation 2016-2018	
Education	7,468,318	16%	7,727,769	16%	6,396,302	16%	17%	% of management costs excluded
Health	3,861,618	8%	3,725,615	8%	1,964,536	5%	97%	
Economic development	1,610,820	4%	1,735,233	4%	1,246,446	3%	29%	
Environment	3,586,327	8%	2,653,158	6%	2,368,334	6%	51%	
Arts and Culture	870,924	2%	870,516	2%	1,069,238	3%	-19%	
Social welfare	19,098,184	42%	20,180,975	42%	15,768,106	40%	21%	
Emergency Relief	9,044,621	20%	10,687,647	22%	10,681,827	27%	-15%	
Others	46,883	0%	0	n/a	0	n/a		
TOTAL	45,587,697	100%	47,580,913	100%	39,494,788	100%	15%	

SGD (in euros)	2018	2018 (%)	2017	2017 (%)	2016	2016 (%)	Variation 2016-2018	
1. End of poverty	161,176	0.4%	1,459,180	3.1%	1,373,014	3.5%	-88%	% of management costs included
2. Zero hunger	163,364	0.4%	221,255	0.5%	498,408	1.3%	-67%	
3. Health and well-being	7,260,232	15.9%	6,778,230	14.2%	4,467,632	11.3%	63%	
4. Quality education	5,824,809	12.8%	6,228,674	13.1%	4,755,360	12.0%	22%	
5. Gender equality	1,687,518	3.7	1,744,451	3.7	1,086,758	2.8%	55%	
6. Clean water and sanitation	785,861	1.7%	812,227	1.7%	869,033	2.2%	-10%	
7. Affordable, clean energy	20,000	0.0%	135,237	0.3%	70,850	0.2%	-72%	
8. Decent work and economic growth	8,334,396	18.3%	9,857,883	20.7%	7,433,487	18.8%	12%	
9. Industry, innovation and infrastructure	446,410	1.0%	950,353	2.0%	1,069,291	2.7%	-58%	
10. Reducing inequality	9,294,145	20.4%	8,630,758	18.1%	6,784,429	17.2%	37%	
11. Sustainable cities and communities	1,206,475	2.6%	1,225,581	2.6%	1,608,358	4.1%	-25%	
12. Responsible production and consumption	7,745,279	17.0%	7,453,651	15.7%	6,673,675	16.9%	16%	
13. Climate action	89,427	0.2%	109,290	0.2%	65,514	0.2%	37%	
14. Underwater life	378,437	0.8%	215,708	0.5%	453,811	1.1%	-17%	
15. Life of terrestrial ecosystems	379,806	0.8%	153,172	0.3%	492,714	1.2%	-23%	
16. Peace, justice and strong institutions	608,050	1.3%	470,933	1.0%	590,613	1.5%	3%	
17. Partnerships to achieve goals	1,202,312	2.6%	1,134,331	2.4%	1,201,842	3.0%	0%	
TOTAL	45,587,697	100.0%	47,580,913	100.0%	39,494,788	100.0%	15%	

Location of activity (in euros)	2018	2018%	2017	2017%	2016	2016%	Variation 2016-2018	
Spain	20.297.453	45%	20.893.381	44%	18.230.407	46%	11%	% of management costs excluded
Europe (excl. Spain)	5.643.921	12%	5.356.042	11%	5.364.428	14%	5%	
Americas	10.208.058	22%	11.387.545	24%	10.459.233	26%	-2%	
Asia & RoW	9.438.265	21%	9.943.946	21%	5.440.721	14%	73%	
TOTAL	45.587.697	100%	47.580.913	100%	39.494.789	100%	15%	

Output indicators	2,018	2017	2016	Variation 2016-2018
Number of hours spent by employees on CCI activities during working hours	118,077	73,457	64,327	84%
Number of CCI projects implemented	622	594	519	20%
Number of garments donated to social causes	3,225,462	3,673,993	2,083,980	55%
Number of direct beneficiaries	2,425,639	1,584,446	1,093,401	122%
Number of community organisations supported	413	409	367	13%
Number of children with access to education	48,794	30,461	46,406	5%
Number of people receiving professional training	32,514	27,311	38,096	-15%
Number of migrants, refugees and displaced people assisted	952,935	306,702	185,262	414%
Number of people receiving medical care	1,078,634	867,671	255,078	323%
Number of jobs created among beneficiaries of CCI projects	16,437	12,200	14,290	15%

Impact indicators	2018	2017	2016	Variation 2016-2018
Number of direct beneficiaries for which impact has been measured	2,401,097	1,527,237	571,577	320%

	2018	2018%	2017	2017%	2016	2016%	Variation 2016-2018
Depth of impact (number of beneficiaries that):							
Made a connection as a result of the initiative	599,741	25%	89,846	6%	63,692	11%	842%
Made an improvement as a result of the initiative	1,450,128	60%	993,661	65%	415,059	73%	249%
Made a transformation as a result of the initiative	351,262	15%	443,730	29%	92,826	16%	278%
Type of impact (number of beneficiaries that):							
Experienced a positive change in their behaviour or attitude	324,788	14%	604,199	40%	227,878	40%	43%
Developed new skills or an increase in their personal effectiveness	59,921	2%	56,312	4%	77,561	14%	-23%
Experienced a direct positive impact on their quality of life	1,743,085	73%	1,377,413	90%	452,681	79%	285%

Social cash flow (in millions of euros)	2018	2017
Net cash received for the sale of products and services	26,145	25,336
Flow received from financial investments	29	26
Cash received for sales of assets	159	381
Total value added flow	26,333	25,743

Distribution of value added flow	2018	2017
Remuneration to employees for services	4,136	3,961
Tax on profits paid	1,070	1,029
Return of financial debt	73	-47
Dividends delivered to shareholders	2,335	2,127
Corporate Community Investment	46	48
Cash retained for future growth	510	759
Payments made outside the Group for the purchase of goods, raw materials and services	16,586	16,088
Payments made for investments in new productive assets	1,577	1,778
Total distribution of value added flow	26,333	25,743

Leverage (additional resources from other sources) (in euros)	2018	2017	Variation 2017-2018
Employees - payroll giving	24,501	290,065	-92%
Employees - other	44,012	38,191	15%
Customers	423,558	258,976	64%
Other external collaborators	737,200	0	n/a
Other sources	48,598,636	12,050,493	303%
Total leverage	49,827,907	12,637,725	294%

Innovation at Inditex: quantifying the R&D effort

R&D indicators

Research and development (R&D) is one of the cornerstones underpinning Inditex's business development over the years. Delivery of the Group's strategic goal of becoming a fully digital, fully integrated and fully sustainable company necessarily relies on research and applied know-how in a broad range of scientific, technological and social disciplines.

 More information on pages 32 to 35 of this Annual Report

Its R&D effort is conducted in a collaborative environment which includes public authorities, world-leading research bodies, leading private researchers in areas of science and technology of relevance to the Group and leading social innovation organisations. Thanks to this collaborative approach, Inditex plays a key leadership role and generates positive effects - spillovers - for the research and development work of the partners it engages with.

Inditex is aware of the direct link between its R&D effort and the Group's ability to achieve sustainable growth in the long term and believes it is appropriate to provide its stakeholders with information regarding its R&D key performance indicators.

That reporting effort is getting underway in 2018 with two of the most important KPIs, those which best lend themselves to comparisons at the international level: (i) annual expenditure on R&D; and (ii) the number of people devoted to R&D activities.

Methodology

Inditex has engaged an independent team from EY Consulting with expertise in assessing R&D activities to analyse and review its R&D indicators. The following procedures were performed to this end: (i) interviews with the heads of several areas at the Company in order to evaluate and classify the activities carried out; (ii) analysis and review of the activities that qualify for classification as R&D activities under the benchmark framework described in the next section; (iii) review of the staff devoted to the performance of R&D activities; (iv) analysis and review of the expenditure associated with the R&D activities; (v) classification of the R&D activities



as a function of the objectives pursued and in relation to the Company's strategic priorities, previously identified through a materiality analysis (pages 38 and 39 of this Annual Report); and (vi) identification of the main science, social and technology disciplines and subdisciplines in which the R&D activities are concentrated.

Benchmark framework

The benchmark framework used to review the R&D indicators is made up of the following methodological guides and interpretive criteria:

- The R&D concepts correspond to the definitions set down in **IAS 38 Intangible assets**.
- The analysis of the resources and expenses associated with the R&D effort was performed using the criteria stipulated in the **Frascati Manual Guidelines - for Collecting and Reporting Data on Research and Experimental Development**, compiled by the OECD.
- As for the budget headings selected to calculate the indicator "Expenditure on R&D", the analysis took those that, in keeping with the criteria established in the above-mentioned benchmark framework, were used to perform R&D activities during the year, **irrespective of whether those amounts were recognised as expenses during the year** or capitalised on the Group companies' balance sheets for accounting purposes.
- The reported R&D projects are **different from those done on a multiannual basis**, referred to in paragraph 8.2 of the Consolidated Management Report (on page 371 of this Annual Report).
- The "Expenditure on R&D" indicator was calculated using the criteria contained in the methodological guide, the **EU Industrial R&D Investment Scoreboard**, compiled by the European Commission.
- Identification of the scientific disciplines and subdisciplines relied on the **UNESCO international standard nomenclature** for fields of science and technology.

Quantifying the R&D effort: results

RESULTS ACCORDING TO OUR PRIORITIES	
(amounts in euros; total figure in millions of euros)	Investment earmarked to R&D
OUR CUSTOMERS (page 48)	€ 114,620,597
OUR PEOPLE (page 58)	€ 6,069,731
INTEGRATED SUPPLY CHAIN MANAGEMENT (page 86)	€ 1,098,338
SOCIALLY RESPONSIBLE SUPPLY CHAIN (page 96)	€ 989,195
EXCELLENCE OF OUR PRODUCTS (page 146)	€ 91,004,672
CIRCULARITY AND EFFICIENT USE OF RESOURCES (page 168)	€ 7,513,365
CONTRIBUTION TO COMMUNITY WELFARE (page 192)	€ 5,661,997
 TOTAL Investment earmarked to R&D	227 million euros
 TOTAL People devoted to R&D	1,576 People

The complexity of the environment in which the Group carries out its business requires multi-disciplinary scientific and technological know-how and, by extension, a significant number of STEM professionals (people with backgrounds in science, technology, engineering and mathematics) in addition to Social Science experts from a broad range of fields, most notably, on account of their significance, are:

Unesco code	Scientific discipline
1203	Computer sciences
1207	Operations research
3326	Textile technology
3310	Industrial technology
1209	Statistics
3303	Chemical technology and engineering
3305	Construction technology
3308	Environmental technology and engineering
3312	Materials technology
2306	Organic chemistry
2301	Analytical chemistry
2391	Environmental chemistry
3214	Toxicology
5310	International economics
6302	Experimental sociology
6307	Social change and development

More specifically, it is worth highlighting the significant R&D investment effort made in the Group's Technology, Logistics and E-Commerce areas, which has paved the way for the execution of lines of advanced research in the following fields, among others: the internet of things (IoT), data analytics and machine learning.









The lines of research carried out by these areas are a core component of Inditex's R&D effort and are encompassed by the following emerging scientific subdisciplines:

Unesco code	Scientific sub-discipline
120302	Algorithmic languages
120304	Artificial Intelligence
120315	Heuristics
120325	Sensors system design
120326	Simulation
120702	Control systems
120904	Decision procedures and theory
120914	Techniques of statistical prediction
120915	Techniques of statistical inference

Sustainable Development Goals in Inditex's strategy

SUSTAINABLE DEVELOPMENT GOAL	Targets	PRIORITIES	Main indicator or related disclosure	Pages
	1.2	Contribution to community welfare	GRI 203-2	202-217
	2.1	Contribution to community welfare	GRI 203-2	202-217
	2.4	Contribution to community welfare	GRI 203-2	202-217
	3.4	Our people	GRI 403-2	82
	3.8	Contribution to community welfare	GRI 203-2	202-217
	3.9	Socially responsible supply chain	Workers benefitting from health and safety programmes	123-125
	3.9	Circularity and efficient use of resources	GRI 305-1	285-286
	3.9	Excellence of our products	Chemical substances included in the Manufacturing Restricted Substances List (MRSL)	156
	4.4 and 4.5	Our people	GRI 404-1	73
	4.4 and 4.5	Contribution to community welfare	GRI 203-2	202-217
	5.1	Our people	GRI 405-1	62, 64, 78-79, 274
	5.1	Socially responsible supply chain	GRI 406-1	419
	5.1	Compliance, good corporate governance and ethical culture	GRI 405-1	248
	5.2	Socially responsible supply chain	GRI 414-2	134-136
	5.1	Contribution to community welfare	GRI 203-2	202-217
	5.5	Compliance, good corporate governance and ethical culture	GRI 102-22	245-248
	6.3	Excellence of our products	GRI 306-1	289
	6.3	Circularity and efficient use of resources	GRI 303-3	289
	6.4	Circularity and efficient use of resources	GRI 303-1	289
	6.4	Contribution to community welfare	GRI 203-2	202-217
	7.2	Circularity and efficient use of resources	GRI 302-1	283-285
	7.2	Contribution to community welfare	GRI 203-2	202-217
	7.3	Circularity and efficient use of resources	GRI 302-4	283-285
	7.3	Excellence of our products	GRI 302-5	283-285
	8.5	Our people	GRI 102-8	60, 63, 79, 274
	8.5	Socially responsible supply chain	Workers involved in the Workers at the Centre programmes	277
	8.5	Contribution to community welfare	GRI 203-2	202-217
	8.5	Compliance, good corporate governance and ethical culture	Policies formalising Inditex's commitment to decent work	269-270
	8.6	Our people	GRI 401-1	419
	8.6	Contribution to community welfare	GRI 203-2	202-217
	8.7	Socially responsible supply chain	GRI 408-1	134-136
	8.7	Socially responsible supply chain	GRI 409-1	134-136
	8.8	Contribution to community welfare	GRI 203-2	202-217
	8.8	Our people	GRI 407-1	420
	8.8	Socially responsible supply chain	GRI 407-1	102-104, 134, 136

- Indicators selected based on the guide: Business Reporting on the SDGs: An Analysis of Goals and Targets.
- Indicators established by Inditex which correspond to disclosures present in the GRI standards.
- Internal indicators established by Inditex.

SUSTAINABLE DEVELOPMENT GOAL	Targets	PRIORITIES	Main indicator or related disclosure	Pages
	9.2	Tax transparency	GRI 201-1	291
	9.4	Contribution to community welfare	GRI 203-1	200-201, 274, 290-291
	9.4	Excellence of our products	Number of facilities involved in the Ready to Manufacture Programme	162
	9.4	Circularity and efficient use of resources	Number of eco-efficient stores and reduction in consumption associated with them	182
	10.2	Contribution to community welfare	GRI 203-2	202-217
	10.3	Our people	GRI 405-2	79
	10.7	Socially responsible supply chain	Workers benefitting from protection of migrants programmes	126-128
	11.2	Contribution to community welfare	GRI 203-1	200-201, 274, 290-291
	12.2	Our people	Number of internal people dedicated to sustainability	274
	12.2	Integrated supply chain management	Identification of suppliers and manufacturers	90, 92
	12.2	Socially responsible supply chain	Identification of suppliers and manufacturers	133
	12.2	Socially responsible supply chain	Trained suppliers	131
	12.2	Excellence of our products	GRI 301-2	153
	12.2	Circularity and efficient use of resources	GRI 302-2	286
	12.2	Contribution to community welfare	GRI 203-2	202-217
	12.4	Excellence of our products	Chemical substances regulated in The List, by Inditex	161
	12.4	Circularity and efficient use of resources	GRI 306-1	289
	12.5	Excellence of our products	GRI 301-2	153
	12.5	Circularity and efficient use of resources	GRI 306-2	287-288
	12.8	Excellence of our products	GRI 417-1	150
	12.8	Our customers	Number of enquiries received through the different customer service channels	56, 57
	13.1	Circularity and efficient use of resources	GRI 305-5	176, 285-286
	13.1	Contribution to community welfare	GRI 203-2	202-217
	14.1	Excellence of our products	Actions within the framework of the commitment to Zero Discharge of Hazardous Chemicals by 2020	157
	14.3	Circularity and efficient use of resources	GRI 305-1	285-286
	14.3	Contribution to community welfare	GRI 203-2	202-217
	15.1	Excellence of our products	GRI 304-2	153-154
	15.2	Circularity and efficient use of resources	GRI 305-2	285-286
	15.2	Contribution to community welfare	GRI 203-2	202-217
	16.3	Contribution to community welfare	GRI 203-2	202-217
	16.5	Compliance, good corporate governance and ethical culture	GRI 205-1	133, 269-270
	16.7	Compliance, good corporate governance and ethical culture	GRI 102-24	249-251, 259-261
	16.7	Creating value for the shareholders	Requests attended by the shareholder's office	230
	17.16	Socially responsible supply chain	Cooperation relationship with international entities	103, 137
	17.16	Excellence of our products	Cooperation relationship with international entities	166, 167
	17.16	Contribution to community welfare	GRI 203-2	202-217
	17.17	Socially responsible supply chain	Public-private partnerships	94, 137
	17.17	Compliance, good corporate governance and ethical culture	Meetings of the Social Advisory Board	164
	17.17	Contribution to community welfare	GRI 203-2	202-217

Balance of material topics

Material topic	GRI standards	Content	Boundary ^(*)	Organization's involvement ^(**)
OUR CUSTOMERS				
Customer relationship management	GRI 103: Management approach 2016	103-1 to 103-3		
Brand management	GRI 103: Management approach 2016	103-1 to 103-3		
Integrated customer experience	GRI 103: Management approach 2016	103-1 to 103-3		
Cyber-security and data protection	GRI 103: Management approach 2016 GRI 418: Customer Privacy 2016	103-1 to 103-3 418-1		
Technological innovation	GRI 103: Management approach 2016	103-1 to 103-3		
OUR PEOPLE				
Diversity and integration	GRI 103: Management approach 2016 GRI 405: Diversity and equal opportunities 2016 GRI 406: Non-discrimination 2016	103-1 to 103-3 405-1 to 405-2 406-1		
Labour practices (own operations)	GRI 103: Management approach 2016 GRI 401: Employment 2016 GRI 402: Labor/management relations 2016 GRI 403: Occupational health and safety 2016 GRI 407: Freedom of association and collective bargaining 2016	103-1 to 103-3 401-1 to 401-3 402-1 403-1 to 403-4 407-1		
Attracting and retaining of talent	GRI 103: Management approach 2016 GRI 401: Employment 2016	103-1 to 103-3 401-1 to 401-3		
Development of human capital	GRI 103: Management approach 2016 GRI 404: Training and education 2016	103-1 to 103-3 404-1 to 404-3		
Women empowerment	GRI 103: Management approach 2016	103-1 to 103-3		
INTEGRATED SUPPLY CHAIN MANAGEMENT				
Transparency and traceability of the supply chain	GRI 103: Management approach 2016	103-1 to 103-3		
SOCIALLY RESPONSIBLE SUPPLY CHAIN				
Women Empowerment	GRI 103: Management approach 2016	103-1 to 103-3		
Responsible purchasing practices	GRI 103: Management approach 2016	103-1 to 103-3		
Promoting socially responsible production environments	GRI 103: Management approach 2016 GRI 412: Human rights assessment 2016 GRI 414: Supplier social assessment 2016	103-1 to 103-3 412-1 to 412-2 414-1 to 414-2		
Respecting human and labour rights in the supply chain	GRI 103: Management approach 2016 GRI 408: Child labour 2016 GRI 409: Forced or compulsory labour 2016 GRI 412: Human rights assessment 2016 GRI 414: Supplier social assessment 2016	103-1 to 103-3 408-1 409-1 412-1 to 412-2 414-1 to 414-2		

Within the organisation
 Outside the organisation
 Within and outside the organisation
 Direct
 Indirect

(*) Indicates where the impact takes place, within the organisation, outside of it or both.

(**) Indicates the involvement of the organisation concerning the impact.

Direct: The organisation is directly linked to the impact.

Indirect: The organisation is linked to the impact through its business relations.