

ENVIRONMENTAL SUSTAINABILITY POLICY

INDUSTRIA DE DISEÑO TEXTIL, S.A.
(INDITEX, S.A.)

**APPROVED BY THE BOARD OF DIRECTORS ON 9
DECEMBER 2015**

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ENVIRONMENTAL SUSTAINABILITY POLICY

1. Mission and Purpose of the Environmental Sustainability Policy

This Environmental Sustainability Policy (hereinafter, the “**Policy**”) has been approved by the Board of Directors of Industria de Diseño Textil, S.A. (INDITEX, S.A.) on 9 December 2015, after favourable report of the Audit and Control Committee.

Through this Policy, Inditex undertakes to have its business conducted in an eco-friendly manner, encouraging the preservation of bio-diversity and the sustainable management of the natural resources.

2. Scope of application

This Policy shall be globally enforced and mandatory to all the companies which make up the Inditex Group and binding for all their employees, regardless of their position and office.

3. Principles which govern the Environmental Sustainability Policy

In the conduct of its business, Inditex integrates sustainable development criteria in all its business areas, ensuring an efficient management of human resources and an appropriate protection of the environment and the eco-systems, in line with the demands of the society.

To implement this Policy, Inditex undertakes to comply with the following principles, and enforce them on its production line:

1. Considering the environmental and social variables, especially the consequences of climate change, water management, waste generation and protection of biodiversity, in the planning and implementation of its activities and those of its business partners and suppliers, encouraging awareness-raising regarding environmental issues.
2. Complying with the applicable environmental laws and regulations and with other obligations which may be established, paying special attention to pollution prevention and minimizing, where possible, the potential environmental impact that its production line generates, both as regards natural resources and people.
3. Preserving the environment, implementing actions for continuous improvement regarding reduction of direct and/or indirect greenhouse gas emissions, cutting consumption of natural resources, control and spill of potentially hazardous chemicals and cutting waste within the entire production line and in our environmental management system as a whole.
4. Identifying the potential environmental risk arising from its business, for the purposes of preventing them, where appropriate. With this respect, Inditex relies on a process to identify and assess environmental risks, allowing it to have objective information thereon.
5. Ensuring the circulation of this policy among its employees and the companies within its Group.

6. Creating channels of fluent communication with the authorities, local communities and other stakeholders, to achieve full compliance with this Policy.

4. Enforcement of the principles which govern the Environmental Sustainability Policy.

The six principles set out in section 3 above will be implemented through the following tools:

1. Through an Environmental Management System pursuant to ISO 14001 standard at Inditex's Headquarters, at the Concepts' headquarters, at the different distribution centers and at the factories the property of the Group. ,
2. At Inditex stores through the Manual for Eco-efficient Stores (the general criteria and the basic characteristics that must be observed by all practitioners involved in the design, development, maintenance and management of stores, both internal and external, are set out in such Manual). The goals of such Manual are.
 - a. Guiding the design, construction, servicing and management of the model of Eco-efficient Store, reducing the environmental impact of all variables which affect sustainability (power and water consumption, emissions, waste generation and management, use of eco-friendly material, constructive and deconstructive processes); and
 - b. Defining and establishing a guarantee and quality system for materials, products and plant used in the design and the construction of Inditex's Eco-efficient stores which shall apply to the purchase of material and assessment of suppliers processes.
3. Throughout Inditex's production line, by meeting the requirements of the Code of Conduct for Manufacturers and Suppliers, and namely, the environmental criteria set out in such Code which defines the minimum standards for a responsible environmental behavior, which must be observed by Inditex' manufacturers and suppliers and its entire production line, in the conduct of their business.

The three strategies defined and undertaken by Inditex, i.e., the Water Management Strategy, the Global Energy Strategy and the Biodiversity Strategy, all of which are posted on the website: www.inditex.com, result from this Environmental Policy.

At any rate, commitments, master plans and annual action plans shall respect the view and the mission of this Policy.

5. Supervision and advice mechanisms

For the purposes of ensuring compliance with the Environmental Sustainability Policy, the Audit and Control Committee has been entrusted with the supervision of risks arising from the Group's proceedings regarding this Policy by the Board of Directors.

Thus, the Group relies on a Committee of Ethics, the internal body that reports to the Board of Directors through the Audit and Control Committee and which is charged, inter alia, with ensuring value creation upon enforcing this Policy.

The Committee of Ethics is a plural body made up of four members: the General Counsel and Code Compliance Officer; the Internal Audit Director; the Corporate Social Responsibility Director and the Human Resources Director.

Meanwhile, the Group counts on a Social Advisory Board, which advises Inditex in the area of Environmental Sustainability. It is made up of individuals or institutions outside the Group. It is charged, inter alia, with advising the Company in promoting, implementing and developing the environmental sustainability models.

6. Disclosure of the Environmental Sustainability Policy

Transparency is an essential principle that inspires Inditex in respect of its communication activities with all those groups who are related with the Company, in one way or another. To achieve this, the Group relies on several communication tools, among which the Annual Report can be underscored, which is based upon best practices in the area of reporting and shows Inditex's significant economic, environmental and social impacts and its corporate website (www.inditex.com).

The Group plays an active role in the most innovating global initiatives in the area of reporting, including into the Annual Report the best practices to provide transparent, true relevant and accurate information.

Meanwhile, the Group's corporate website, in addition to serving as repository support for the Annual Reports, supplements the information in the Environmental Sustainability area with policies and other related documentation.

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