

# INDITEX



Innovation, collaboration  
and continuous  
improvement  
for chemical safety

# Products that are safe for people and the planet

At Inditex, we focus all our efforts and attention to detail on ensuring that our products are safe for the people that make them, for the local communities, for our staff, our customers and, needless to say, for the planet.

Our priority is to ensure that all the substances and materials used in our products are healthy, identifying and developing lower impact products and processes that help us further our commitment to preserving biodiversity and natural resources.

The management of chemicals is central to this commitment. This is a priority area in which Inditex works tirelessly with the aim of advancing both the knowledge of the chemicals used in our industry and the evaluation and improvement of their safe use in our productions.

We have strict product and sustainability standards, cutting edge research programs, laboratories and partnerships with research centres, technological companies and the rest of the industry to exceed legal requirements and ensure best practices from the design phase and choice of materials to the sale of our products, naturally including the manufacturing processes.

## Our approach

The air we breathe, the water we drink and the food we eat are all made up of chemical elements. The same applies to clothing, footwear and other consumer goods.

The textile industry uses around 10,000 chemicals required to apply colours, pigments or in other processes needed to obtain the finished product. Our commitment is to use only those chemicals that are safe for people and the planet.

Understanding the complexity of the textile industry and advance in the way these products are used is key, since it is not possible to apply a blanket solution to address the specifics of each substance used in the industry.

At Inditex we are committed to zero discharge of hazardous chemicals in our supply chain; in other words, to eliminating the use of chemical substances in our products that could pose a risk to the workers in our supply chain, to our customers, or to the planet.

## The pillars of our approach

**/ Innovation and knowledge generation:** we explore and analyse the information available on the characteristics of the chemicals used so as to identify those that can be removed and replaced by safer alternatives. In addition, we are working on the development of next-generation analytical methods to detect substances in our products.

**/ Management and assessment:** we have devised various chemical control and management programmes to ensure that the chemicals used in our products are safe, and we are developing initiatives for the continuous improvement of our supply chain.

**/ Collaboration, transparency and support for the industry:** only by working with other brands, our suppliers and the chemical industry, can we achieve significant progress to make zero discharge possible in the textile sector.



# Innovation and knowledge generation

Advancing our knowledge of all the characteristics of the products we use in the textile sector is central to our commitment to zero discharge of hazardous chemicals. We have been working for more than a decade to develop programmes that enable us to establish clear criteria and standard goals, based on the latest scientific developments, to classify the chemicals used and replace those that may pose a risk to people or the planet.

## We work on three main lines to improve the available data:

**Data mining:** we are developing and building a database containing the available information on the chemical safety of compounds used in the sector. To achieve this, we use the databases of other international benchmark organisations and information processing technologies to identify both the uses and the safety of the substances used.

**Computational prediction:** in order to advance in eliminating those chemicals that may pose a risk to people and the planet and replacing them with safe alternatives, at Inditex we work on two lines of research:

/ We join forces with leading institutions in the field of biomedical computing to build predictive models that, based on the chemical safety data available to us, give us insight into the unknown properties and characteristics of certain chemical substances, by applying advances in artificial intelligence such as machine learning.

/ We work with leading research institutions to develop chemical safety quantification protocols to supplement existing experimental information and, at the same time, improve the reliability of computational predictive models.

**Standardisation:** we foster the development of a safety scoring scale to quantify the safety associated with the use of the different chemicals, taking into account the existing knowledge about possible risks, the reliability of that knowledge, the severity of each risk and the levels of exposure associated with their use.



## R&D+i to advance in detection methods

R&D+i is one of the cornerstones of continuous improvement in the development of new analytical methods for chemical detection, helping us to progress towards safer products. Some of our most notable projects in this regard are:

### / R&D+i in the analysis methodology

- **Research of formaldehyde emissions in wood materials:** a study has been carried out to improve the system for measuring formaldehyde emissions in wood-based products through a screening methodology. This improvement would reduce testing times by verifying the regulatory requirement in a more diligent manner. This new methodology will allow faster conclusions than the current method, which can delay up to 28 days to obtain results.
- **Development of an analysis methodology to verify the presence of lipid synthetic antioxidants in leather:** the use of lipid synthetic antioxidant compounds in leather successfully contributes to the prevention of hexavalent chromium formation. During this year, an optimisation of the method has been carried out to extend the detection of the number of these compounds, thus improving quality control during production by minimizing the formation of hexavalent chromium.
- **Comparative study of methods for the detection of total fluorine in textile samples and chemical product:** the determination of fluorine content in fabrics is a strategic tool in the current regulatory context, which complements the identification of individual PFAS compounds. During this year, we have compared methodologies for fluorine determination, with the goal of selecting the most suitable for textile samples. We have identified techniques that improve sensitivity and therefore more effectively ensure product compliance.
- **Study on the application of hydrolysis-based methodology to detect the nature of PFAS and contribute to the differentiation between intentional application and cross-contamination:** PFAS (per- and polyfluoroalkyl substances) are great concerns due to their impact in human health and their persistence in the environment. During this year, Inditex has studied a methodology which improves the effectiveness of PFAS extraction from textile samples. This new methodology helps differentiate between the intentional use of products with PFAS and cross-contamination.

### / R&D+i studies and projects

- **Research for alternatives to sulfones and syntans in leather tanning:** in order to foster user and environmental safety, a study has been carried out in the framework of leather tanning with the aim of replacing synthetic sulfones and syntans with safer and lower bisphenol content options. Conclusions have been included in the handbook of good practices for the supply chain, which will be enforced during the financial year 2025.
- **Study on the impact of the finishing treatment on leather pH and its link with the tendency to the formation of hexavalent chromium:** during this year it has been observed that leather finishing can lead to a slight elevation of the pH value, a factor that influences the possibility of hexavalent chromium formation. A review and update of the Good Practice Guidelines for leather tanning has been carried out which establish controls to minimize this risk and improve product safety.

### / R&D+i Guides

- **Update of the good manufacturing practices handbook for the use of safe chemicals alternative to PFAS and for the minimization of cross-contamination:** during 2024 work has been carried out on an update of the content of the PFAS-free Manufacturing Guidance to cover a wider range of risks and to define specific actions to prevent cross-contamination due to PFAS in textile products.

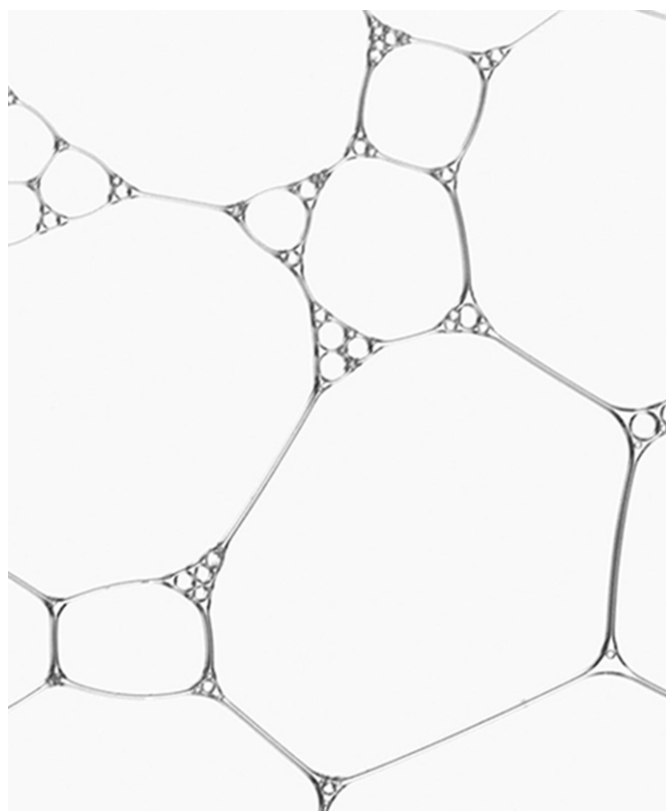
## Our standards, the guidelines for our productions

To continue to move forward in the excellence of our products and the improvement of our supply chain, at Inditex we have scientific teams and technological experts who monitor the best environmental practices and regulatory updates and evaluate each process in our product manufacturing to ensure that the standards governing our products are always at the forefront of the industry.

These standards are mandatory for anyone wanting to work with us (they are part of what we call Inditex Minimum Requirements). All our suppliers must accept them, comply with all those that apply to them and pass them on to all manufacturers in their own supply chains.

/ To reduce the environmental impact of our supply chain, at Inditex we have our own **Green to Wear** standard, as an essential tool to apply best practices in the processes with greater environmental impact, mainly in wet processes, therefore improving health aspects of the articles through indicators that assess the efficient management of resources, water, technology and processes, chemical products, waste and wastewater.

/ **Safe to Wear** regulates design, the fastening degree of small parts, sharp edges and sharp points in clothing for children, and restricts



parameters such as flammability in articles for both children and adults. This standard is mandatory for all our apparel, footwear and accessories, including trimmings and fabrics used in their manufacture.

/ **Clear to Wear** incorporates the strictest global regulations on chemicals in textile and leather articles, primarily for finished products. Likewise, as a regulation of mandatory compliance for all our suppliers, the European Union's own REACH regulation, which regulates the Registration, Evaluation, Authorisation and Restriction of Chemicals, is encompassed in our Clear to Wear standard. The application of this regulation is compulsory for all our clothing products, footwear and accessories, including the trimmings and fabrics used in their manufacture.

/ The **Physical Testing Requirements** standard independently sets out physical-chemical parameters linked to product quality testing, in accordance with best practices in the textile industry. Its application is mandatory for all our apparel, footwear, home textiles, fabrics, leather and certain accessories.

/ **Active to Wear** is a product quality standard that defines the requirements that any fabric or garment must meet when its labelling indicates a functional property that improves its performance under certain conditions of use or activity.

/ **I+**: in order to ensure an adequate response to the specific properties of the various product families—those relating to food, cosmetics, children's furniture or home furnishings—at Inditex we have developed specific standards. They include both the applicable health and safety parameters, and the documentary and best manufacturing practice requirements, as well as the analysis protocols for establishing compliance with the provisions contained in the standards.

<b>i+Cosmetics</b>	<b>i+Food Contact Materials</b>	<b>i+Home Fragrances and Candles</b>	<b>i+Child Care Furniture</b>
Cosmetics	Products in contact with food	Home fragrances, candles and their accessories	Children's furniture and child care articles

In the case of products that come into contact with food, our standard also restricts the transfer of their constituent chemicals to the food they come into contact with.

For those product families with specific needs, such as eyewear for different sports disciplines, that are not covered by a specific standard, we produce minimum requirement reports in keeping with the most exacting legislation in the various sales markets.



# Management and assessment

To verify compliance with all our standards, we work with technology companies, research centres and laboratories of international reference to check that they are being properly applied by using our own innovative programmes that include analysing the articles and auditing the factories involved in their production.

## 1. Design and raw materials

The first step is to assess the article and control the raw material. The process to determine that our garments are safe begins in this phase, when we provide our suppliers with in-depth information on the garment's design, the choice of raw materials (fabrics, sewing threads and interlinings) and accessories (buttons, zips, and appliqués), as well as the manufacturing processes to be employed and the measurements of laces, where applicable.

To advance compliance with our standards in these early stages of the product's life cycle, we have a network of in-house control laboratories equipped with the infrastructure and instruments necessary to carry out preliminary tests in accordance with the most demanding international standards. This makes them a very effective tool for preventing non-conformities with our Clear to Wear and Safe to Wear standards at very early stages of manufacture, thereby minimising the risk of non-conformities, and their consequences, in finished garments.

## 2. Manufacturing and wet processes

### 2.1 Environmental assessments

To ensure that our manufacturers meet all our environmental requirements, all factories wishing to work with us and which are within the scope of our Green to Wear standard must undergo a preliminary environmental assessment so that we can verify compliance with our standards. If they do not pass this assessment, they cannot take part in the manufacture of our products.

Once a factory passes this process and starts working with us, mainly wet process facilities must undergo regular environmental audits that verify compliance with our Green to Wear standard and the discharge guidelines of ZDHC, organisation with whom we collaborate.

Where non-conformities are detected, corrective action plans are prepared and suppliers are supported in remedying them.

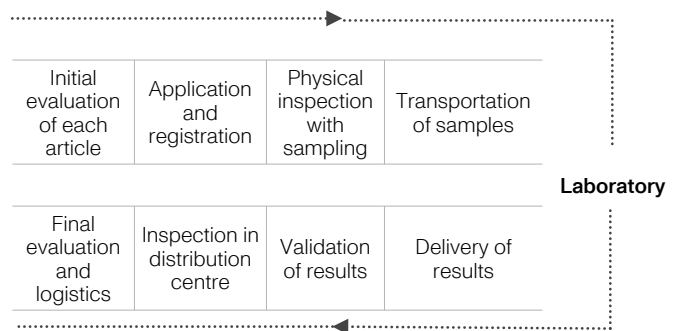
## 2.2 Picking Programme

The Picking programme is the tool we use to ensure that all our products are manufactured in compliance with our health and safety standards, through collaboration with scientific and technological advisers and with the support of internationally recognised providers of analytics services.

Based on the prior assessment of all our products, we establish which facilities require a technical inspection visit for the random selection of a representative sample of finished garments and to carry out tests and analyses in external laboratories with proven competence through our APPLABs programme.

In addition to the verification of Inditex's production, the Picking programme allows us to provide the analytical support necessary for the issuance of product certifications for safe import.

### Picking Procedure



As a complement to these inspections, we have developed Minilabs, a portable lab initiative enabling our external auditors to perform, at any time, up to six screening tests for substances and parameters regulated in the Clear to Wear and Physical Testing Requirements standards.

Early detection provides us a considerable advantage when it comes to correcting problems, as the article can be reprocessed before it leaves the supplier's premises, thus minimising the impact of transportation.



### 3. Continuous improvement

Our Root Cause Analysis (RCA) enables us to conduct technical audits to identify the source of non-compliances in wet process facilities (dyeing, washing, tannery, printing) and propose a specific corrective action plan to prevent such incidents from being repeated in future productions.

These audits are deployed as soon as we detect a restricted chemical during the course of the Picking control programme. The resulting information feeds the rest of the preventive and control programmes, on the one hand to reinforce the transmission of knowledge to the rest of the supply chain, so as to avoid repetition, and, on the other, to strengthen controls by identifying risk components and technologies.

#### APPLABs programme

To establish whether a production meets the requirements of our standards, it is crucial to have confidence in the analytical results of the external control laboratories that evaluate our products on a daily basis. Therefore, the control of the laboratories in our analytical network is very important to ensure that they work in a standardised way, always seeking the highest precision and accuracy in the final result. The confidence in these laboratories is based on the external laboratory approval programme called APPLABs.

Within the framework of this programme, we carry out several actions:

1. On-site **audits** that verify the infrastructure, internal procedures, and technical competence of the laboratory staff and their diligence with the analyses.
2. **Monitoring** of results to verify the response and competence in the execution of analyses.
3. Creation of **technical committees** for problem solving, optimisation of testing methodologies, creation of new analytical standards, among other issues.



# Collaboration, transparency and support for the industry

Collaboration with our suppliers, other brands in our sector, experts, laboratories and other industries, such as the chemical industry, is key to developing innovative programmes to improve chemical management systems, cementing our commitment to using only safe chemical products.

To achieve this change in the industry, we must move forward towards continuous improvement of our supply chain. We collaborate with our suppliers to ensure that they and their factories meet the strictest product health and safety requirements.

The List, by Inditex is a good example of this approach. This innovative initiative launched by Inditex in 2014, a pioneering programme in the textile and leather industry, aims to classify and improve the chemical products used to manufacture our articles through collaboration with the chemical industry.

The use of the products with the best scores in The List, by Inditex guarantees compliance with our requirements, as it complements the application of the Manufacturing Restricted Substances List (MRSL)—in other words, the requirements concerning the chemical products that can be used in the production processes of our garments, and the Restricted Substances List (RSL) in our garments—which we control through Clear to Wear.

Sharing all that experience is paramount. At Inditex we are involved in initiatives such as Zero Discharge of Hazardous Chemicals (ZDHC), AFIRM Group and Greenpeace's Clean Factory Approach, which encourages us to work in a collaborative environment by sharing our experience with the rest of the industry and enriching our own knowledge through the experience of other retailers.

## Training and continuous improvement

Not only does this allow us to more safely manage the chemicals used in our productions. Helping our factories to adhere to the highest standards is also a step forward for the whole industry, as our suppliers also produce garments for other retailers.

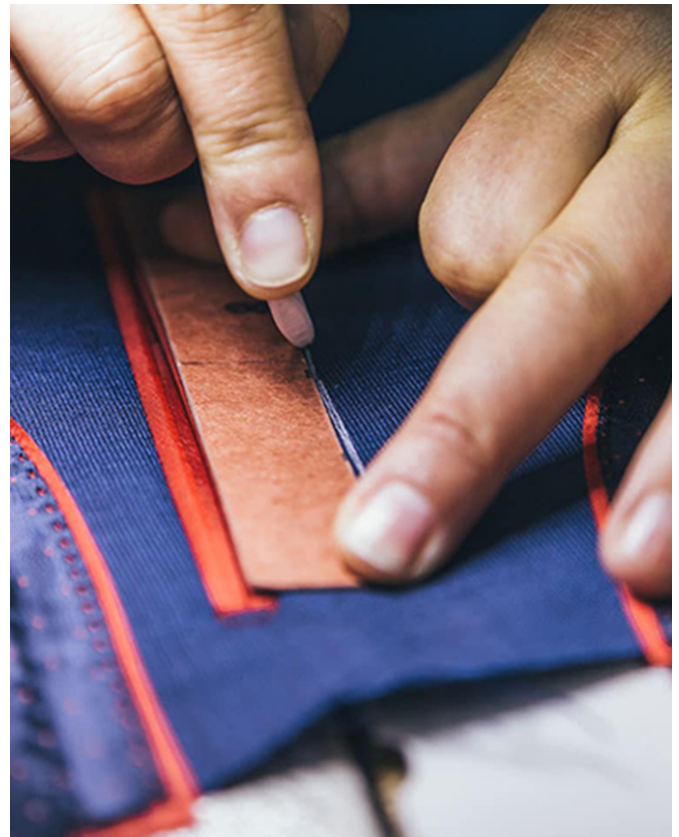
We endeavour to help manufacturers in our supply chain adopt the best available techniques. We conduct training and consultancy activities in the main manufacturing clusters, with the aim of improving the understanding of the practices required for the proper selection, purchase, handling, storage and use of this type of products.

Good Manufacturing Practice (GMP) guidance features prominently as we continuously support our supply chain to move towards safer processes with less environmental impact. This guidance aims to control the activities to be carried out at each stage of production, to ensure that products are manufactured in compliance with quality standards, as well as with the requirements of our product health and safety standards. Some notable examples are:

- / Update of the Good Manufacturing Practices protocol for the production of hexavalent chromium-free leather in tanning facilities based on the best available methodologies.
- / Good Manufacturing Practices for PFAS-free manufacturing (perfluoroalkyl and polyfluoroalkyl substances) with information on safe chemical alternatives and clear guidelines to prevent cross-contamination, among others.

We further support this work by training our own design and buying teams to reduce the time it takes to detect potential non-compliances and to provide solutions that better match our product offering.

For this purpose, we train our teams in matters linked to product health and safety and provide on-site technical assistance, in collaboration with academic institutions and scientific and technological experts.





## ZDHC commitment

At Inditex, we have adopted the ZDHC organisation's Roadmap to Zero programme and we have implemented it in our strategy, incorporating it as requirements for our supply chain facilities.. This allows us to move towards proper chemicals management and non-use of hazardous chemicals in the supply chain.

Since we joined this initiative in 2012, we have been actively engaged in various working groups, such as the Brand Advisory Group, in which brands participate proactively with a common objective aimed at adopting the Roadmap to Zero programme and implementing the different initiatives. In addition, we are part of ZDHC's Board of Directors.

Moreover, we collaborate as active members in the Technical Experts Team Chemical to Zero Progressive (CtZ-P) working group, to define the new Progressive certification level, included in the Chemical to Zero roadmap, sharing our expertise and experience in the control of chemicals with The List, by Inditex programme.

As part of our involvement with this programme:

/ We have adopted ZDHC's MRSL—which specifies the chemicals subject to specific restrictions or banned—as mandatory in all our products manufacturing processes, in order to ensure the safety of the chemicals used by our suppliers.

/ In addition, we have adopted and implemented different solutions, including the connection with our facilities on the Gateway platform. This solution allows us, among others, to monitor the proper management of chemicals and the percentage of certified products through the Performance InCheck Report tool, as well as the degree of compliance in discharge through the ClearStream tool. It also gives us visibility on the linkage and performance of our facilities in the

Supplier to Zero programme, designed for the successful implementation of a chemical management system.

/ At the same time, as part of our commitment to collaborate to transform the industry, we have made available to the entire sector through ZDHC Gateway platform The List, by Inditex, our programme recognised at the current highest level of classification by this organisation.

/ To cement this commitment, through our Supply Chain Environmental Transformation Plan 2024-2027 we recommend our suppliers to carry out a digital management of their inventory and generate the ZDHC InCheck report, which must be verified at least annually by a ZDHC approved third party, thus demonstrating compliance of the facility's chemical inventory with ZDHC's MRSL.

/ Our Green to Wear environmental standard is the tool through which we convey our requirements linked to the adoption of ZDHC's own requirements and which serves us, through an evaluation programme, to monitor the degree of compliance and take action to help facilities resolve their non-compliance or, failing that, to adopt blocking actions.

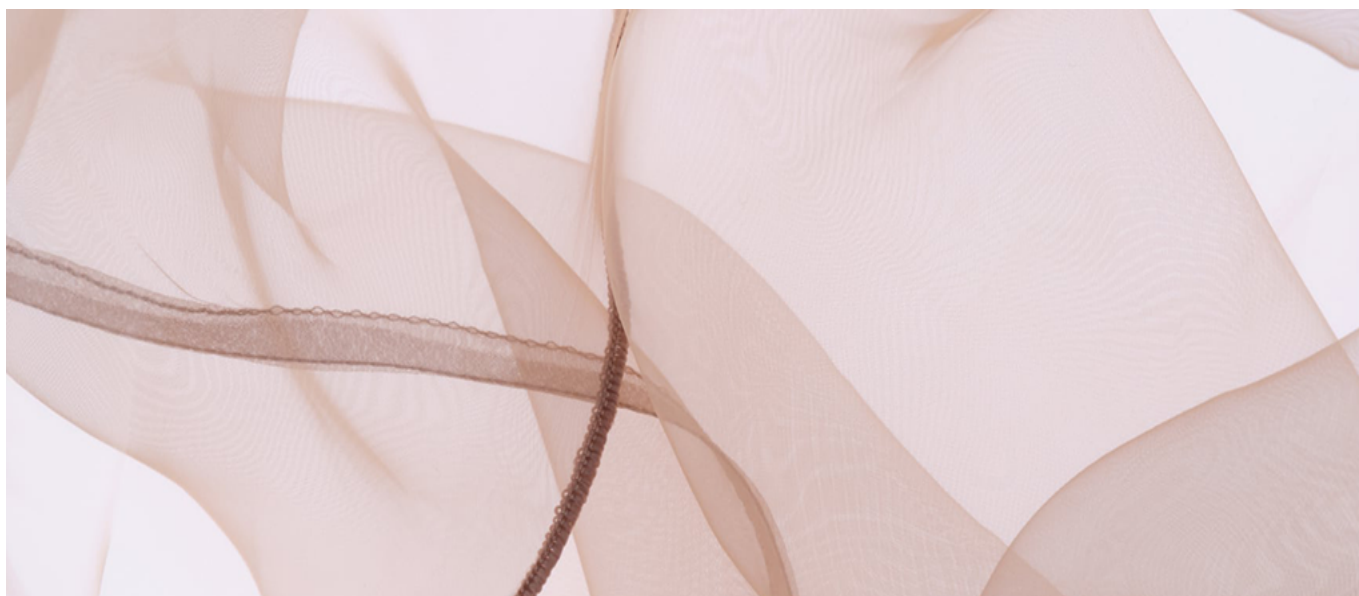
/ We encourage our suppliers and manufacturers to join the Supplier to Zero platform to strengthen their chemical management systems.

/ We have carried out training actions (ZDHC Academy) and a plan to link key facilities in our supply chain to the Supplier to Zero platform through the Tokens programme, included in the Brands to Zero framework, as well as training activities in Mainland China through a call to action in conjunction with ZDHC focused on suppliers, facilities and the chemical industry.

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① More information in the document *Supply chain: management to transform the sector* available on Inditex's corporate website.

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## INDITEX Requirements in line with ZDHC commitment

### ZDHC guidelines, platforms and solutions

- / Inditex sets **clear requirements** for suppliers and manufacturers on the implementation of ZDHC guidelines, platforms and solutions and **monitors** its execution.
- / Inditex's **social and environmental standards**, such as Green to Wear, include **requirements linked to chemical management** for suppliers and manufacturers that want to be part of our supply chain. Compliance is regularly verified through audits which include, among others, site visits, wastewater analyses, etc.

### Chemical Management Practices

- / We encourage our suppliers and manufacturers to join the **Supplier to Zero** platform to strengthen their chemical management system.
- / Through ZDHC's **Tokens** programme we have launched a pilot with key facilities to achieve the Foundational level and move towards the Progressive level within the Supplier to Zero programme. In addition, we have engaged a selection of key facilities through the e-learning programme to enhance their engagement in the Academy Capacity Building platform.

### Manufacturing Restricted Substances List (MRSL)

- / We have **adopted ZDHC's MRSL**. In addition, we have our **The List, by Inditex** programme, which is recognised at the highest level of classification by this organisation. Through collaboration with the chemical industry, this initiative aims to classify and improve the chemicals used in the manufacture of our products.
- / **Suppliers and manufacturers** are required to **adopt** the ZDHC MRSL prior to engaging in any business relationship with Inditex.
- / The traceability of chemical products is key. For this reason, at Inditex **we verify the compliance with the MRSL of the chemical products used** through the Chemical Inventory List (**CIL**).
- / Suppliers and manufacturers are required to adopt a **chemical procurement policy** with goals for ZDHC MRSL conformant procurement.
- / Inditex requires suppliers and manufacturers to **only use MRSL conformant chemicals**. In this regard, as part of our Supply Chain Environmental Transformation Plan, **we have defined as a requirement the exclusive use of certified chemical products** (available on the ZDHC Gateway), with the objective that these will account for 95% of those used in our production by 2026.

### ZDHC Gateway Chemical Module

- / We require our suppliers and manufacturers to register to the **ZDHC Gateway**.
- / Suppliers and manufacturers can issue the ZDHC InCheck report and verify it under ZDHC standards once a year. This helps us to monitor their compliance with the MRSL.
- / Inditex's **chemical product control** methodology is aligned with the highest existing level of the chemical module of the ZDHC Gateway (Chemicals to Zero).

### ZDHC Wastewater Guidelines

- / Our **suppliers and manufacturers** must **adopt and implement** the ZDHC Wastewater Guidelines.
- / The **results of wastewater analyses** must **comply** with the limits of the **Foundational** level of the guidelines. Additionally, our Supply Chain Environmental Transformation Plan 2024-2027 requires our manufacturers to comply with the Progressive level from 2026 onwards. In addition, we require that there is no presence of substances that are included in the ZDHC's MRSL.

### ZDHC ClearStream Reporting

- / Suppliers and manufacturers are required to publish their wastewater testing results in a **ClearStream** Report via the ZDHC Gateway platform. This must be done after annual water collection and analysis for those factories for which water sampling is applicable.



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