

**ANTI-MONEY LAUNDERING AND
TERRORIST FINANCING POLICY**

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

**APPROVED BY THE BOARD OF DIRECTORS
ON 13 MARCH 2018**

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Name of the Standard	Anti-Money Laundering and Terrorist Financing Policy
Scope	Global
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Supervisor	Financial Management Director
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1. Purpose

The Anti-Money Laundering and Terrorist Financing Policy (hereinafter, the “**Policy**” or the “**Anti-Money Laundering Policy**”) has been approved by the Board of Directors on 13 March 2018, following a favourable report of the Audit and Control Committee. Such Policy intertwines with the ethical values of the Inditex Group (hereinafter, “**Inditex**” or the “**Company**”) defined in the Code of Conduct and Responsible Practices and in the Code of Conduct for Manufacturers and Suppliers.

This Policy sets forth Inditex’s unbreakable commitment to anti-money laundering and the prevention of terrorist financing, and conveys its will to work with the competent authorities in the area.

In this respect, this Policy seeks to lay down, in accordance with the prevailing international standards in the field, such yardsticks which aim at preventing that either Inditex or any company which is part of its corporate Group (as defined below), may be used upon carrying out any money laundering or terrorist financing proceedings. In this respect, all the provisions of this Policy are subject to the applicable regulations in each country, which shall always prevail.

Considering the various business that Inditex conducts, the main effects of this Policy consist of (i) limiting cash payments at stores; and (ii) identifying and reviewing its business partners, its suppliers and other third parties

2. Scope of application

This Policy shall apply to the Inditex Group. It shall be binding for the entire staff, regardless of their job and position.

For such purposes, Inditex Group (hereinafter, the “**Group**”) shall mean any company in which, at least 50% of the share capital or voting rights, is held, either directly or indirectly, by Inditex.

The enforcement of this Policy, in full or in part, may extend to any natural and/or legal person associated with Inditex, where this may be appropriate to meet its purpose, and practicable on account of the nature of the relationship.

Under this Policy, Inditex may develop a number of procedures and instructions to implement and enforce the obligations undertaken, and to bring it into line with the different local laws and regulations.

3. Definition of Money Laundering and Terrorist Financing

For the purposes of this Policy, any of the following activities shall be deemed to be Money Laundering activities:

- a) The conversion or transfer of property, knowing that such property is derived from any offence or offences, or from an act of participation in such offence or offences, for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of such an offence or offences to evade the legal consequences of his actions.
- b) The concealment or disguise of the true nature, source, location, disposition, movement, rights with respect to, or ownership of property, knowing that such property is derived from

an offence or offences or from an act of participation in such an offence or offences.

- c) The acquisition, possession or use of property, knowing, at the time of receipt, that such property was derived from an offence or offences or from an act of participation in such offence or offences.
- d) Participation in, association or conspiracy to commit, attempt to commit and aiding, abetting, facilitating and counselling the commission of any of the offences established in accordance with the foregoing paragraphs.

On the other hand, for the purposes of this Policy, Terrorist Financing shall be deemed to be the supply, deposit, distribution or collection of funds or goods, by any means, whether directly or indirectly, with the intention of using them or with the knowledge that they will be used, completely or in part, for the commission of any terrorism offences.

4. Limiting payments in cash at stores

Under this Policy, Inditex relies on a Procedure for Limiting Payments in Cash at Stores (hereinafter, the “**Procedure**”), whereby it implements the control mechanisms in respect of payments in cash at the stores made by its customers.

Inditex shall not accept any payment in cash made by its customers at stores, in any amount in excess of the capped sum laid down in the above referred Procedure, or the equivalent thereof in the relevant currency (hereinafter, the “**Limit**”). For such purposes, the control mechanisms covered in the above mentioned Procedure are established.

Additionally, as a general rule, pursuant to the Payments Management Policy and Procedure, Inditex shall not make any payment in cash to any supplier or employee.

5. Identification and knowledge of business partners

Inditex shall identify and get to know its business partners (franchisees, leftover dealers, suppliers and other business partners) pursuant to the due diligence measures provided in its internal regulations and, as the case may be, in the applicable laws and regulations. In this respect, before engaging in any business relationship, Inditex shall identify its business partner and the beneficial owner thereof, and establish that it is not subject to any system that imposes international sanctions to trade relationships.

Therefore, Inditex shall abstain from engaging in any trade relationship with any potential business partner regarding which it is certain, or there are substantiated indications, that they are related to money laundering and/or terrorist financing activities.

Inditex will implement, if appropriate, a Procedure to Identify and Get to know Business Partners, for the purposes of identifying its business partners and the beneficial owner thereof, as well as establishing that they are not subject to any system of international sanctions regarding trade relations.

Additionally, Inditex shall regularly monitor its trade relationships with its business partners, in order to verify that the information available regarding any such partner has been duly updated.

The Company shall not engage in any business relationship where it is not in a condition to apply the due diligence measures described above.

6. Disclosure of the Policy

The Anti-Money Laundering and Terrorist Financing Policy may be made available to all the stakeholders of the Company, both internally and externally, and it shall be subject to the appropriate disclosure, training and awareness-raising proceedings to ensure its full understanding and implementation within the organization.

7. Implementation of the Policy

Inditex undertakes to assign specific resources to ensure the effective implementation of the Anti-Money Laundering and Terrorist Financing Policy. The Group shall conduct appropriate due diligence processes, regularly identifying any current and potential impacts in the field of Money Laundering and Terrorist Financing, and taking the appropriate measures to prevent and reduce any potential negative consequences thereof. Likewise, Inditex may work with the most relevant stakeholders to implement the Policy.

The implementation and monitoring of the Policy shall be incumbent on the General Counsel's Office, this being one of Inditex's control systems, and the Internal Audit Department shall be charged with overseeing it.

8. Update and review of the Policy

The Anti-Money Laundering and Terrorist Financing Policy will be reviewed and updated, where applicable, to bring it into line with any changes that the business model may undergo, or that may occur in the context where the Group operates, ensuring at all times the effective implementation thereof.

9. Operational grievance mechanisms: Committee of Ethics and Whistle Blowing Channel

Inditex maintains a permanent dialogue with its stakeholders, allowing them to raise their concerns and expectations about anti-money laundering and terrorist financing issues which affect the Group.

Additionally, Inditex relies on a Committee of Ethics and a Whistle Blowing Channel to ensure compliance with this Policy, and receive and attend to any comments, doubts or complaints regarding its construction, enforcement or compliance. The Committee of Ethics reports to Inditex's Board of Directors through the Audit and Control Committee and it is composed of:

- The General Counsel and Chief Compliance Officer
- The Chief Audit Officer
- The Chief Sustainability Officer
- The Chief Human Resources Officer

The Committee of Ethics may act of its own motion or at the behest of any employee, manufacturer, supplier, or any third party with a direct relationship and a lawful business or professional interest, further to a report made in good faith.

In this respect, any notices given under this Policy, whether reporting any breaches or including any enquiries regarding the construction or implementation thereof, may be addressed to the Company through the Whistle Blowing Channel by any of the following means:

- Ordinary post addressed to: *Avenida de la Diputación, Edificio Inditex, 15142 Arteixo, A Coruña* (Spain), for the attention of the Committee of Ethics
- E-mail addressed to: comitedeetica@inditex.com
- Fax sent to: +34 981 18 62 11

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