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INDITEX

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Respect for freedom of association is a key principle of Inditex's Code of Conduct and the company expressly outlaws discrimination against workers' representatives and union members. We are working closely with our suppliers at this difficult time and we expect continued compliance with this Code of Conduct, which clearly requires fair treatment of workers and no discrimination against workers' representatives.

At the centre of this work is our Global Framework Agreement with IndustriALL Global Union. Our local sustainability teams continuously collaborate with IndustriALL Global Union local affiliates in order to promote social dialogue, respect for Freedom of Association and Collective bargaining rights in Inditex's supply chain.

In regards to the report shared by BHRRC, we would like to highlight the Inditex commitment with the promotion of social dialogue and the proactive approach that our company is playing in terms of facilitating dialogue and agreements between worker representatives and factory management, always ensuring the respect of the rights of freedom of association and collective bargaining in line with ILO conventions and beyond the legal local requirements

This has been the situation in those cases highlighted by BHRRC in Myanmar where Inditex carried out a mediation role, like in the case of Huabo Times, Rui-Ning and Myanmode, where agreements and in consequence resolution of the cases were possible to achieve and where Inditex maintained a proactive dialogue with suppliers but also with local unions and workers, through our direct involvement along with the IndustriALL Global Framework Agreement General Coordinator, which was materialized through an intensive level of dialogue with factory workers representatives to understand, support and facilitate a prompt resolution of the cases. In fact, this communication channel established under our Global Framework Agreement has one more time showed its tremendous value in order to make effective a direct contact between worker representatives and Inditex which was complemented with the interaction with the respective suppliers, labor rights organizations and the collaboration with other Brands.

We would like to remark also the joint efforts taken under ACT initiative, which is formed by Inditex along with other 20 international Brands and IndustriALL Global Union, to facilitate social dialogue between the affiliate of IndustriALL Global Union in Myanmar, IWFM and ACT supplier representatives which was materialized in the agreement of the Myanmar Freedom of Association (FOA) Guideline¹ which established an unprecedented Industrial Relations framework in the country, mandatory for all the ACT and in consequence Inditex supply chain in the country, which reinforce the principles established in the Inditex Code of Conduct for suppliers and manufacturers and the Global Framework Agreement between Inditex and IndustriALL Global Union.

In terms of Bangladesh and the cases related with Inditex, we would like to remark the value of social dialogue between worker representatives and management as it was expressed in the 3 cases where we were informed about agreements and in consequence dispute resolutions achieved thanks to the role of Windy Group and the IndustriALL affiliate Sommilito Garments Sramik Federation and SAYBOLT TEX LTD's registered union Sommilito Garments Sramik for the resolution of the case in the factory SAYBOLT TEX LTD, but also in the case of Tanaz Fashion with an agreement between Windy

¹ https://actonlivingwages.com/myanmar_foa_announcement/

Group and eight leading Union Federations, among them, two IndustriALL Global Union affiliates (Bangladesh Jatio Sromik Kormochari Porishod and United Federation of Garments Workers) and finally in the case of Windy Wet vs Windy Wet and Dry Process Ltd. (Unit-2), with an agreement between Windy Group and the registered Union Garments Sromik Kormochari Federation (GSKF) In these three agreements, we were informed about the compliance with the respective payment of the agreed compensations, which were made effective to affected workers as per dates mentioned in our previous communication with BHRRC.

Social dialogue is proving to be the most critical tool as the garment industry faces the unprecedented effects of the COVID-19 pandemic. Inditex continues to work to collaborate with national and international stakeholders in its supplier regions to articulate a global response to support suppliers and workers.

Inditex Sustainability Department