

INDITEX

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Inditex is fully committed to respecting, protecting and promoting human rights within its entire supply chain. 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.

In this regard, Inditex, as a member of ACT (Action, Collaboration, Transformation)¹ has shared its deep concern about the developments in Myanmar through a statement published last February 2021² which was followed by different concrete actions and processes to help protect and support workers and employers³ until the ACT decision related with the ceasing of the engagement in Myanmar.

In addition to this, Inditex has worked with several stakeholders like the initiative SMART Textile & Garments, funded by the European Union and co-funded by private sector partners (brands, retailers, and factories),⁴ but also with the Ethical Trading Initiative (ETI), including the support to the independent and comprehensive assessment commissioned by this organization concerning the impacts on human rights in the garment sector in Myanmar. This assessment is based on the application of the UN Guiding Principles on Business and Human Rights, and the OECD Due Diligence Guidance, once IndustriALL called for the implementation of comprehensive economic sanctions in the country.

¹ ACT (Action, Collaboration, Transformation) is a collaboration initiative where Inditex is playing an active role along with IndustriALL Global Union (with whom Inditex has a Global Framework Agreement) and the 19 Global Brands that are part of this initiative. <https://actonlivingwages.com/>

² <https://actonlivingwages.com/2021/02/19/joint-statement-of-act-members-on-the-situation-inmyanmar/>

³ <https://actonlivingwages.com/2021/05/22/act-member-actions-in-myanmar/>

⁴ <https://smartmyanmar.org/en>

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In this sense, Inditex is implementing a responsible policy to follow the above, which implies the respect of the previous commercial commitments assumed, with a clear focus in the following of the UN Guiding Principles on Business and Human Rights (UNGPs) and in consequence, having into consideration the impact on workers and employers.

Regarding the communication received from BHRRC about some factories located in Myanmar, we would like to share that as per the feedback received from Myanmar Lucky Fortune Garment, it is denied the dismissal of any worker in recent weeks and also it is confirmed from factory side that they did not receive any type of “instructions/message” regarding the firing or not recruiting of workers from any particular region.

With respect to the factory Zong Hong (Myanmar) Garment Co. Ltd, an investigation has been performed where it was identified a breach on minimum wage in relation to some workers. In this sense, we have been informed that the proper remediation has been already implemented through the payment of a compensation to the related workers.

For the case of Yi Cai Garment Factory and SYSMM Apparel Manufacturing, as per the information we have, agreements between union and factories were reached respectively on 30th and 29th August after parties entered into a social dialogue process.

Finally, in relation with Kittenish Knitting Co. Ltd, Sinoproud Thein Wa and Myanmar Luxury Group Company, we would like to inform you that after performing an investigation process, we have not encountered any evidence that these factories are part of our supply chain.

We remain at your disposal shall any further information is needed.

Best regards,

Inditex Sustainability Department