

# INDITEX

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Arteixo (A Coruña), Spain, 4<sup>th</sup> November 2022

We would like to inform that regarding the communication received from BHRRC on late October 2022 about three factories located in Myanmar they do not belong to our supply chain. While it was not possible for us to get any type of information regarding Myanmar Lucky Garment, we have been able to collect information on the other two factories.

With respect to the factory Yi Cai Garment Factory, as per the information obtained through our suppliers, an agreement between union and factory was reached on 30<sup>th</sup> August after parties entered into a social dialogue process. In addition to this, we have come to know that this factory decided to carry out a temporary closure and that an agreement was reached with workers in this regard.

In the case of Sheng Da Ming Apparel Ltd, as per the information obtained through our suppliers, an agreement was reached by the parties in the labor office on 27<sup>th</sup> September 2022 where it was defined the compensations which were received by the affected workers.

Furthermore, we take the occasion to also remark that 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 outlaw's discrimination against workers' representatives and union members.

In this regard, Inditex, as a member of ACT (Action, Collaboration, Transformation)<sup>1</sup> has shared its deep concern about the developments in Myanmar through a statement published last Feb 2021<sup>2</sup> which was followed by different concrete actions and processes to help protect

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<sup>1</sup> 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/>

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

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and support workers and employers<sup>3</sup> 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),<sup>4</sup> 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.

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.

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

Best regards,

Inditex Sustainability Department

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

<sup>4</sup> <https://smartmyanmar.org/en>