

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.

As shared previously with BHRRC, Inditex is in the process of a phased and responsible exit from Myanmar, taking into account the increasing difficulties faced by worker representatives in exercising freedom of association rights. As a result, we continue to reduce the number of active manufacturers in the country¹.

We would like to highlight that as part of this responsible exit, Inditex maintains proactive open communication channels in the country with different stakeholders including worker representatives, civil society and institutional organizations as part of our continuous and reinforced due diligence process in factories that are finishing orders already committed. This constitutes regular exchange of information with different stakeholders along with the reinforcement of the actions to closely follow up wage payments and ensure that any potential allegations by workers will be considered seriously by factory management and that the correct social dialogue process is followed regarding workers' demands. As a result of this process, and following our compliance system (that we apply to all our suppliers worldwide),

¹ As per Framework Principles of a Brand's Responsible Business Disengagement from Myanmar:
https://admin.industrial-union.org/sites/default/files/uploads/images/2023/MYANMAR/framework_principles_of_a_brands_responsible_business_disengagement_final.docx.pdf

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we are implementing specific Corrective Action Plans to support factories to manage the identified improvement areas.

Additionally, we have reinforced our communication with all our suppliers to stress the importance of compliance with the Inditex Code of Conduct for Manufacturers and Suppliers at all times. These actions were complemented by an internal communication process with our buying teams to ensure proper coordination during this phase out process.

Regarding the case mentioned, we would like to inform you that we have maintained a communication channel with Action Labor Rights (ALR) organization since February 2023 regarding this factory. At that time, we were informed about ALR's intention to form a union at the factory. After that, in March 2023, ALR reached us regarding one allegation for which we requested suppliers and the factory to initiate a social dialogue process with ALR and worker representatives that culminated in the form of an agreement between the parties in May 2023.

However, in June, ALR informed us of the dismissal and the detention of several workers and ALR members related with the factory. These events represented a severe breach of our supplier Code of Conduct, so we took immediate action to block this factory for our productions, preventing our suppliers from working with this factory and removing it from our supply chain.

We have activated all available means to remediate the situation and push for the release of the workers through dialogue with suppliers and different institutional actors – these efforts continue to be active today. In this sense, just after the reception of the information from ALR, we formally and informally requested the related suppliers and factory to take all immediate actions to prevent and remediate any harm to the workers' rights, including requests for:

- The immediate reinstatement of the dismissed workers in their previous positions with related back pay.
- The absence of any type of reprisal action against workers
- The immediate remediation of any harm that might have been caused to workers as result of the severe events that have occurred.

We remain at your disposal for any question in this regard.

Sincerely,

Inditex Sustainability Department