

INDITEX

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Arteixo (A Coruña), Spain, 28th February 2024

Thank you for your questions regarding the aftermath of the earthquakes in Türkiye in February 2023.

Our purchasing practices played an important role in the aftermath of the earthquake, whereby we aimed to support affected suppliers through financial payment facilities, and we also established a work framework to adapt to the circumstances of the affected suppliers in terms of order delivery dates.

Regarding our ongoing actions, Inditex is fully committed to respecting, protecting, and promoting human rights within its entire supply chain. This is reflected through our continuous human rights' due diligence process. This continues to be reinforced following the earthquake, alongside our auditing process and continuous improvement plans in and around any part of our supply chain impacted by the earthquake.

As part of our auditing system, we continue to verify the compliance of the factories with our "*Code of Conduct for Manufacturers and Suppliers*" which includes a comprehensive review of all aspects related to payment of wages and regular employment, including payment of severance payments. Our factory social audits are checking for aspects such as the presence of relevant permits, operating licenses and workers/production records. This documentation is reviewed by auditors and contrasted with the results of interviews performed with suppliers and a representative sample of the workforce in a confidential manner. This is complemented by a rigorous factory tour through its premises. Should we identify areas for improvement we diligently track the progress and conduct more detailed investigations where necessary.

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Our regular engagement with IndustriALL Global affiliates remains key to our monitoring in the region under the scope of our Global Framework Agreement and the ACT initiative through *"The Türkiye Freedom of Association (FoA) Annex"*¹

In this regard, capacity building is also an essential part of our work with our supply chain. This is focused on building understanding of our requirements, with special attention to the factory's legal obligations surrounding employment contracts. We also focus our efforts to ensure that vulnerable workers are not facing any type of potential discrimination. In this sense we have worked with the non-profit Müdem for many years with a clear focus on refugee integration as well as through specific grievance mechanisms which allow us to understand and respond to concerns from vulnerable groups, with special attention to refugees. This work is complemented through the collaboration with United Work in terms of awareness raising about labour conditions and legal rights and our partnership with the International Labor Organization (ILO) through the worker adaptation programme which facilitates the integration of work environments for refugees and local workers.

Regarding Ozak Tekstil located in Şanlıurfa, we can confirm that it is not in our supply chain. However, we work with KubrateksTekstil, a factory of a separate legal entity located in a different province that is under Ozak holding. In spite of not having a direct link with the affected factory, we have been engaging with IndustriALL Global Union and its local union affiliate Oz iplik which has a CBA in the affected factory, in an attempt to use our leverage to reestablish sound industrial relations. We strongly support the role of social dialogue and we continue to monitor the evolution of events.

Finally, we would like to highlight also Inditex's rapid response at the time in supporting the humanitarian relief efforts through a €3 million donation to Turkish Red Crescent, as well as the donation of more than 1 million garments and 200 shelters through separate associations.

We remain at your disposal should you require any further information.

Kind regards,

Inditex Sustainability Department

¹ https://actonlivingwages.com/app/uploads/2022/08/ACT-Tu%CC%88rkiye-FOA-Annex_EN.pdf