

Inditex's response

5 November 2019

Business & Human Rights Resource Centre invited Inditex to respond to the following items:

- "Chinese-Owned Garment Factory Strikers Sued by Myanmar Police", *The Irrawaddy*, 4 September 2019, <https://www.irrawaddy.com/news/burma/chinese-owned-garment-factory-strikers-sued-myanmar-police.html>
- "September Chronology for 2019 and Current PP list", Assistance Association for Political Prisoners-Burma, 16 October 2019, <https://aappb.org/2019/10/september-chronology-for-2019-and-current-pp-list/>
- "Facing Trial List", Assistance Association for Political Prisoners-Burma, 30 September 2019, <https://aappb.org/wp-content/uploads/2019/10/550-facing-trial-final-list-updated-on-30-September.pdf>

Inditex sent the following response:

All our suppliers and manufacturers all over the world are required to follow our Code of Conduct, which applies the highest standards for the [protection of human rights](#) and [the promotion of international labour rights, health and safety](#), and [environmental aspects](#). Inditex works with [suppliers](#) across 43 different countries to source most of its products –57% of the factories are close to headquarters in Arteixo (A Coruña, Spain), mainly in Spain, Portugal, Turkey and Morocco. Same principles are followed irrespective of the sourcing market: always source responsibly and sustainably. In this sense, despite the relatively small sourcing we do from Myanmar, same standards and principles are maintained.

Myanmar Knitting Factory produces for one of our brands through a direct supplier. Our presence in the factory amounts to roughly 10% of the factory's capacity. Before the factory was approved to carry out any production for us, Myanmar Knitting was previously assessed to ensure that all labour and human rights were respected in the factory. In this sense, after this pre-assessment and until date, Inditex has performed four social audits in the factory showing compliance with our Code of Conduct. Each audit produces a corrective action plan for the continuous improvement of the factory conditions, which are followed up by Inditex's social sustainability teams. Direct supplier is always involved in these processes and takes responsibility for the welfare of the workers in the factory.

As soon as we received information about a worker strike in the factory we immediately contacted the supplier in order to receive more information about the case and to monitor that workers' rights were being respected. This process resulted in the signature of a collective bargaining agreement negotiated by factory and workers which consequence was the restating of the factory operation as a result of this agreement.

Inditex fully respects the right of freedom of association as a fundamental and enabling right for all workers. This respect is one of pillars of our supply chain responsible strategy and it is cascaded down to all suppliers and factories that are involved in our productions according the Inditex Code of Conduct for Manufacturers and Suppliers.

As part of the Global Framework Agreement signed between Inditex and IndustriALL Global Union in 2007, Inditex, through its Sustainability Department and its local teams in production countries, maintains a close and regular collaboration with IndustriALL Global Union and its local representatives along with the National and local trade Unions. This approach is followed to enforce the rights of Freedom of Association and Collective

bargaining but also to promote social dialogue as the only way to handle any potential dispute that may appear in our supply chain related with the principles of our Global Framework Agreement.

Specifically in Myanmar, Inditex started a collaboration with the International Labor Organization in the country through the participation in their project ILO-GIP which also works at factory and sectorial level in the promotion of social dialogue and the achievement of mature industrial relations in the garment sector.

Connected with the previous lines of work, we would like to remark the creation of a national platform of dialogue -Myanmar Buyers Forum- that contributes to the promotion of social dialogue in the Myanmar Industry which was created with the leadership of the organization SMART Myanmar (Project funded by the European Union with the objective of actively promoting and supporting the sustainable production of garments "Made in Myanmar"). Inditex representatives joined the last edition of this platform, as we consider that this national initiative with participation of brands, employers and Unions constitutes a clear example of promotion of industrial relations at sectorial level in Myanmar.

Inditex would like to reaffirm its commitment with labor rights and in consequence with the ensuring of the rights of Freedom of Association and Collective Bargaining in our supply chain. As part of this commitment and the above lines of work, Inditex is actively working in the promotion of Living Wages through ACT initiative along with 20 more International Brands and IndustriALL Global Union. In this sense, and as one of its main objectives, ACT collaborates with employers, trade unions and governments in garment producing countries to support collective bargaining at industry level. Myanmar is also a country the scope of ACT initiative, under which a the Freedom of Association Guideline is being promoted through the dialogue of ACT Brand suppliers and IndustriALL Global Union through its affiliate in the country. We believe that this is another way to empower local actors in their commitment to improve labor conditions in the country through a sustainable view of industrial relations.