



INDITEX

Joint Statement by Industria de Diseño Textil, S.A. and IndustriALL Global Union

Inditex and IndustriALL reinforce their longstanding cooperation in order to support to the recovery of the Global Garment Industry through the Covid-19 crisis

Industria de Diseño Textil S.A. (hereinafter, Inditex) and IndustriALL Global Union (hereinafter, IndustriALL), have issued a joint statement to re-affirm their commitments to work together to support the economic and social recovery of the global garment industry through Covid-19 crisis along with global and national relevant stakeholders. This builds on the long-standing partnership through a global framework agreement (hereinafter, GFA) first signed in 2007 and last renewed in 2019 between Inditex, the global leader in garment sector, and IndustriALL, the representative of fifty million mining, energy and manufacturing workers globally, including those in the garment industry.

The advent of the COVID-19 pandemic in recent months has been an unprecedented challenge for humanity. It has required the various stakeholders - businesses, trade unions, governments, multilateral organizations, etc. - to assume their roles to protect lives, social protection systems and business resilience to the new reality while seeking to support businesses and health, safety, employment and income of workers.

Since the beginning of the crisis Inditex and IndustriALL have taken action in different forms, both bilaterally and in multi-stakeholder initiatives. This cooperation has been integral in supporting the supply chain and sector through this period.

During this period, the company has involved the union representatives in the company's operations in key supplier markets and among its suppliers as it starts to deliver on its responsibilities of its Global Union Committee established as part of the renewed GFA. In parallel, Inditex and IndustriALL has been active participants of the multistakeholder initiative of the International Labour Organisation (hereinafter, the ILO) "Call to Action in the Global Garment Industry" (hereinafter, the CtA).

In order to minimize the impacts of the global Covid-19 pandemic, Inditex and IndustriALL Global Union publicly reaffirm and strengthen their commitments to work together with the suppliers through the following actions:

- To continue to ensure the respect of freedom of association and collective bargaining rights along the company's supply chain in an effective way so that workers' rights to join a union as their free choice is in place and the respect of the right of collective bargaining that allows conditions for collective bargaining agreements;
- To promote social dialogue with information, consultation and negotiation at all levels as the main way to solve conflicts as both parties understand that social dialogue constitutes the most valuable mechanism for the promotion of mature industrial relations;

- To ensure the health and safety of all workers throughout the Inditex supply chain. Inditex suppliers will implement all the necessary special protective measures and provide all necessary protective equipment. Both organizations agree to work along with national and international organizations (i.e. ILO) on specific guidelines as suppliers resume normal operations; this work will be monitored by Inditex and Global Union Committee established under the renewed GFA in collaboration with the relevant stakeholders.
- To continue to develop the company's responsible purchasing practices by integrating measures that respond to and seek to mitigate the impact of COVID-19, in a way that all suppliers promote the implementation of social responsible practices. Both organizations will work together under the ACT initiative on living wages to embed these good practices through the garment and footwear sector and promote industry-wide collective bargaining;
- To reaffirm the commitments made since the beginning of the pandemic for stable payment terms in order to support suppliers' cash flow and thus provide stability and predictability for workers. Inditex will strictly fulfil all its payment terms and will continue developing financial programs for the access of its suppliers to improved and extended financial capacities which allow them to finance their business continuity
- To work in a proactive way to generate the necessary financial conditions that allow suppliers to honor payments to workers and to preserve the level of employment and income of workers among suppliers; both organizations will cooperate to disseminate this initiative in order to support stakeholders in the industry, particularly for workers;
- To work jointly with governments and business organizations in Inditex's sourcing markets to promote their engagement under the CtA and any other similar initiative that helps enhance the above commitments.

Both Inditex and IndustriALL, through this joint statement, express their commitment to contribute to the economic recovery of garment industry and the security of workers in Inditex's and the global garment supply chain, according to their respective roles. Furthermore, both organizations call on other international and national stakeholders to commit to this goal thereby contributing to the global economic and social recovery.

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