**GLOBAL FRAMEWORK AGREEMENT**

 November 13th, 2019

INTRODUCTION

On the one hand, Mr. Pablo Isla Álvarez de Tejera, Executive President of Industria de Diseño Textil, S.A. (INDITEX, S.A.) (hereinafter, “Inditex”), with C.I.F. A-15.075.062, and registered office at Avenida de la Diputación, Edificio Inditex, 15142 Arteixo (A Coruña), acting on its behalf and representation in accordance with the powers conferred by agreement of the Board of Directors on March 17, 2015, as a result of a public deed granted before the Notary of A Coruña, Mr. Francisco Manuel Ordónez Armán, dated 10th April, 2015 and under number 874 of his protocol.

And, on the other, Mr. Valter Sanches, General Secretary of IndustriALL Global Union (hereinafter “IndustriALL”), which headquarters are at 54bis, Route des Acacias 1227 Carouge, Geneva, Switzerland, acting on its behalf and representation, by virtue of the powers vested in him upon being elected at the IndustriALL Global Union's Congress on 5-6 October 2016 and by the statutes of said institution.

PREAMBLE:

After more than a decade of collaboration between Inditex and labour unions, and twelve years after the signing of the Global Framework Agreement between Inditex and IndustriALL (hereinafter the “Parties”), the Parties have decided to renew it through this document, which constitute a new Global Framework Agreement (hereinafter the “Agreement”) for the purpose of reaffirming their respective commitments.

The main purpose of the Agreement remains ensuring respect of Human Rights within the labour and social environment, by promoting respect for international labour standards throughout Inditex's supply chain. This Agreement recognizes the crucial role that freedom of association and collective bargaining play in developing mature industrial relations. Accordingly, it is appropriate to establish a framework to reaffirm the engagement with trade union organisations, which represent the workers in the textile, footwear and garment supply chain.

The guiding principle of this Agreement is the shared belief that cooperation and collaboration are key to strengthen Human Rights within Inditex’s supply chain.

The Parties have decided to renew the referred Global Framework Agreement to ratify its validity, reaffirm its undertakings and renew the respective responsibility of each party, through a proactive approach to face the challenges that may arise.

The Agreement is concluded between Inditex and IndustriALL.

For all these reasons, the Parties formulate the following considerations:

Inditex consists of a group of companies mainly devoted to the manufacture, distribution and sale of clothing and accessories. It further considers that its commitment with the sustainability includes to apply principles and criteria of sustainable social development to improve fundamental Human Rights, including labour and social rights, and the living conditions of the communities related with its manufacturing activities.

IndustriALL represents 50 million workers in 140 countries worldwide through more than 600 affiliated trade unions including those organizing workers in the textile, garment, footwear and leather industries. Moreover, it is committed to defend the rights and interest of workers at the global, regional and sub-regional levels by promoting international labour standards in the global supply chains. References to IndustriALL include its governing body and their affiliated trade unions.

Inditex recognizes IndustriALL, its Spanish affiliated unions CCOO-I and UGT-FICA, and in general its affiliated trade unions in their supply chain countries as their global trade union counterparts for workers engaged in the production of textile, garments and footwear and commits to actively use all its leverage to ensure that suppliers and manufacturers of Inditex respect Human Rights and therefore, labour and union rights in the workplaces under the Inditex supply chain.

Inditex undertakes to inform its suppliers about the contents and intent of the Agreement while IndustriALL will do likewise with its trade union affiliates and other relevant trade unions as appropriate.

INTERNATIONAL LABOUR STANDARDS & CONVENTIONS

Inditex and IndustriALL both acknowledge the central role of freedom of association and the right to bargain collectively as set out in International Labour Organization (hereinafter “ILO”) Conventions No 87, 98, 135, and Recommendation 143 as essential to develop long-term sustainable compliance in factories that supply to Inditex because freedom of association and the right to bargain collectively provide workers with the mechanisms to monitor and enforce their rights at work, and as such serve as the base for promoting mature industrial relations.

The Parties agree to work together in order to ensure a more effective enforcement of International Labour Standards, including Conventions Nos. 29, 87, 98, 100, 105, 111, 135, 138, 155, 159, 182 and 190 of the ILO, as well as the Universal Declaration of Human Rights, the UN Convention on the Rights of the Child, OECD Guidelines for Multinational Enterprises, OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector, the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the UN Global Compact Principles and the UN Guiding Principles on Business and Human Rights. Inditex undertakes to apply and insist on the enforcement of the above-mentioned international labour standards to all workers throughout its entire supply chain, regardless of whether they are directly employed by Inditex or by its l manufacturers and suppliers.

The terms and conditions of the Agreement shall apply throughout the Inditex supply chain including workplaces not represented by IndustriALL affiliated unions. The Parties undertake to inform other trade unions in these locations about the terms and conditions agreed.

IndustriALL will work with Inditex to promote full compliance with the following standards set out in the international instruments mentioned above and in the Inditex Code of Conduct for Manufacturers and Suppliers attached hereto as Annex I:

1. No forced labour
2. No child labour
3. No discrimination
4. Respect for freedom of association and collective bargaining
5. No harsh or inhumane treatment
6. Safe and hygienic working conditions
7. Wages are paid
8. Working hours are not excessive
9. Regular employment
10. Traceability of production
11. Health and safety of products
12. Environmental awareness
13. Confidentiality of information
14. Code implementation
	1. Transparency and sustainability of procurement
	2. Reference to national legislation, conventions and agreements
	3. Verification of compliance
	4. Committee of Ethics and Whistleblowing Channel

IMPLEMENTATION

The Parties shall jointly work through the framework of the Agreement to strengthen the right to freedom of association, the right to bargain collectively, health & safety and in the work, to a living wage and other rights that ensure a decent work throughout the Inditex supply chain.

For implementation of the Agreement, the Parties have agreed on a specific structure. At global level, a Global Union Committee (hereinafter “The Committee”) shall be established and it will be composed according to what is establishes in Annex II by: i) an agreed number of representatives of IndustriALL affiliates representing workers with presence in factories of Inditex´s clusters, and ii) representatives of the Spanish Trade Union mentioned in this Agreement on behalf of Inditex workers. This Committee shall meet once a year to review the implementation of the Agreement. IndustriALL will be invited to the meetings of the Committee. Inditex, from its side, could also designate a representation to attend to the Committee, in case any request from their members and whenever it is understood necessary by the Coordination of the Agreement (hereinafter “Coordination”).

The Committee will elect a Coordination with the aim to be the liaison with Inditex. The mentioned Coordination will be composed by four members (two on behalf of the Spanish Trade Unions above mentioned and two on behalf of the IndustriALL affiliates with presence in the Inditex production clusters) among which, one will act among them as a General Coordinator, subject to prior agreement with Inditex. Among the functions of said General Coordinator will be the resolution of those topics that cannot be solved locally. In these cases, the Coordination will investigate them along with the concerned local union and the respective Inditex representative. The Coordination will meet at least twice a year with representatives of Inditex.

Local trade unions have an important role to play in ensuring the implementation of the Agreement within the Inditex supply chain. Under the lines established by the Coordination, the local trade union representatives will participate in the implementation of the Agreement in their respective countries. Local trade unions may be supported by trade union experts, according to what is established in the Trade Union Expert Framework Contract signed between the Parties on 25th April 2016. With the aim of developing solid labour relations within the Inditex supply chain, local Trade Unions will keep a regular communication with local Inditex sustainability representatives with support of its respective trade union expert or through the General Coordinator of the Agreement, in absence of their respective trade union expert.

The costs of the annual meeting and the activities of the Coordination will be assumed by Inditex, according to its internal policies where applicable, and against the budget that is established in the Trade Union Expert Framework Agreement above referred.

ACCESS TO INDITEX SUPPLIERS

Inditex is committed to provide reasonable information about its supply chain to IndustriALL. In order to facilitate the enforcement of the Agreement and to strengthen freedom of association and the right to collective bargaining, Inditex shall provide IndustriALL with information about their suppliers through the General Coordination. This information must include all the data necessary which contributes to have a better understanding of the supplying factories

IndustriALL and its affiliates shall be given reasonable access to the factories that are part of Inditex supply chain. Access to premises shall be facilitated according to the mechanisms agreed between the Inditex management and the Coordination.

IndustriALL undertakes to keep confidential all information provided by Inditex and shall guarantee the proper use of that information by its affiliates.

RESOLUTION OF POTENTIAL BREACHES OF THE AGREEMENT

The Parties agree to inform each other of any breach of the Agreement, as soon as the breach is discovered, to enable the earliest possible implementation of a remediation action plan.

When a local trade union detects any potential breach regarding the enforcement of this Agreement in any of Inditex’s suppliers that cannot be resolved at factory level, this shall be notified to the respective Trade Union Expert and to the respective Global Union Committee member of its cluster, or in its absence, to the General Coordinator, that will inform to the representative of Inditex and IndustriALL designated for such purposes, and that will take those actions for its resolution.

Likewise, the Committee could provide advice and support for the resolution of the breach.

CAPACITY BUILDING PROGRAMS

The Parties shall jointly develop policies and capacity building programs on industrial relations designed to advance in the implementation of the Agreement throughout the Inditex supply chain.

These capacity building programs will have the aim of involving all workers that are part of the Inditex manufacturers and suppliers, as well as the respective local trade unions.

The joint capacity building programs shall take into account those relevant issues for the development of the Agreement, including where applicable, the followings:

* Work organization
* Productivity, output capacity of manufacturers
* Purchasing practices and their impact on workers
* Social dialogue techniques at work
* Promotion of freedom of association, collective bargaining and the development of mature industrial relations.
* Promotion of equality between men and women
* Improving in reporting mechanisms and discipline at work
* Rights and duties of workers and management

As a supplement to the above mentioned initiatives mechanisms will be developed to promote mature industrial relations at the workplace.

GENERAL

The Parties jointly confirm that the Agreement shall become effective from its date of signature and will remain in force for one year after which it shall be deemed to be automatically extended for further periods of one year unless either party gives notice to the other with at least three months in advance of its expiry date or date of expiry of its extensions, that it does not wish renewal.

Inditex undertakes to work with its suppliers and IndustriALL with its trade union affiliates to make all possible efforts to ensure the successful implementation of the Agreement throughout Inditex’s supply chain.

INTERPRETATION

Questions concerning the interpretation of the Agreement shall be resolved through consultation between the Parties. Every effort will be made to find common agreement but where this is not possible, the Parties will, in appropriate circumstances, seek the expert advice of the ILO or an agreed third party for mediation and dispute settlement. The Parties shall agree to abide by the final recommendations of the ILO or other third party.

The current Agreement will be signed in Spanish and English. In case of any controversy between both versions, the Spanish version will prevail.

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 IndustriALL Global Union Inditex S.A.

ANNEX I. Inditex Code of Conduct for Manufacturers and Suppliers

ANNEX II. Global Union Committee composition

Global Union Committee composition is formed as per the main regions and sourcing countries at the signing date of the Agreement.

Global Union Committee will be composed by a total number of 9 members distributed as it is below indicated:

Africa (1)

-Morocco, Tunisia, Egipt

America (1)

-Argentina, Brasil, Mexico

Asia (4)

-Vietnam, Indonesia

-Cambodia, Myanmar

-Bangladesh, Pakistan

-India, Sri Lanka

Western Europe (2)

-Spain and rest of Western Europe countries

Eastern Europe (1)

-Turkey and rest of Eastern Europe countries

The composition of the Committee could be modified throughout the validity of the Agreement when agreed upon by the Parties and depending on the evolution that manufacturing in each of the regions and countries that are part of the Inditex supply chain where there are IndustriALL affiliates.