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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.

In this regard, Inditex, is a member of ACT - (Action, Collaboration, Transformation)¹ an initiative where Inditex is playing an active role along with IndustriALL Global Union (with whom Inditex has a Global Framework Agreement since 2007) and another 19 Global Brands. In this sense, Inditex would like to highlight the relevance of the "*ACT Bangladesh Interim Dispute Resolution Mechanism (DRM) on workers' rights to Freedom of Association and due payment of wages and benefits*", a mechanism which has been active since 2020 and agreed by BGMEA (Bangladesh Garment Manufacturers and Exporters Association), IndustriALL Global Union, their affiliates in Bangladesh and ACT Brands sourcing from Bangladesh.

Regarding your specific questions, first of all, Inditex would like to inform you that the Government of Bangladesh through its Department of Labor is the only responsible actor to process any type of request with respect to Trade Union registration and in consequence to evaluate if the respective request complies with Bangladesh legislation, including membership requirements.

With respect to the specific allegations related with workers, Inditex would like to inform you that on 7th November 2022 Inditex received a communication from the "*ACT Bangladesh Interim Dispute Resolution Mechanism (DRM) on workers' rights to Freedom of Association*

¹<https://actonlivingwages.com/>

INDITEX

and due payment of wages and benefits (Interim ACT DRM)” regarding an allegation raised by BGIWF (IndustriALL Global Union affiliate in Bangladesh) against the factory Dekko Design Ltd.

After receiving this communication, Inditex along with other ACT Brands active at this supplier conducted different meetings with the supplier to facilitate the dialogue between the parties which ended in a partial mutual resolution for 14 workers in June 2023 and in a Memorandum of Understanding (MoU) signed between the supplier and BGIWF for the remaining 5 union committee members on 11th December 2023. This MoU included the reinstatement of two workers on 1st February 2024, another worker on 1st March 2024 and finally the payment of an agreed compensation to the remaining two workers as per the MoU.

In this sense, BGIWF communicated to ACT members last 12th December 2023 the withdrawal of all complaints against Dekko Design Ltd. We would like to refer also to the public communication made by IndustriALL Global Union on 19th December 2023².

The Interim ACT DRM has played a vital role in addressing grievances related to workers’ rights, particularly pertaining to freedom of association, retrenchment and due payment of wages and benefits³.

Inditex would like to highlight the role that our Global Framework Agreement with IndustriALL Global Union is also playing to ensure the respect of the rights of Freedom of Association and Collective Bargaining through the deployment of the capacity building activities agreed between IndustriALL Global Union (through the Global Union Committee and in consequence IndustriALL Global Union affiliates) and Inditex as part of its annual workplan. This is complemented by the regular contact between IndustriALL Global Union affiliates and Inditex’s Sustainability local teams in our different clusters of production, which includes the managing of any type of allegation that we may receive under the Global Framework Agreement between both organizations.

² <https://www.industrialall-union.org/bangladesh-dismissed-workers-reinstated-with-act-interim-dispute-resolution-mechanism>

³ A total of 105 cases have been received since its inception, with 92 cases (87.62%) deemed eligible and processed. Please be referred to <https://actonlivingwages.com/2023/09/07/act-bangladesh-interim-dispute-resolution-mechanism-on-workers-rights-to-freedom-of-association-and-due-payment-of-wages-and-benefits/>