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# INDITEX

## GLOBAL FRAMEWORK AGREEMENT

BETWEEN

**INDUSTRIA DE DISEÑO TEXTIL, S.A. (INDITEX, S.A.)**

AND

**INDUSTRIALL GLOBAL UNION**

**ON THE IMPLEMENTATION OF INTERNATIONAL LABOUR STANDARDS  
THROUGHOUT THE SUPPLY CHAIN OF  
INDITEX**

### INTRODUCTION

**FIRST.-** Mr Pablo Isla Álvarez de Tejera, Chairman, acting for and on behalf of **INDUSTRIA DE DISEÑO TEXTIL, SOCIEDAD ANONIMA**, (hereinafter **Inditex**), with registered address in Arteixo (A Coruña), Avda. de la Diputación, Edificio Inditex, registered with the Companies Register of the province of A Coruña, on Volume 964 of the Archives, General Section, Folio 17, Page no. C-3.342, holder of the Tax Identification Number (Spanish C.I.F.) ES-A15075062, by virtue of a deed of appointment granted on 27 June 2005, before Mr Francisco Manuel Ordóñez Armán, a Notary in A Coruña, record number 2.039.

**SECOND.-** Mr Jyrki Raina, General Secretary of **IndustriALL Global Union**, which headquarters are at 54bis, Route des Acacias 1227 Carouge, Geneva, Switzerland, acting on its behalf, by virtue of the powers vested in him upon being elected at the IndustriALL Global Union's Founding Congress on 19-20 June 2012 and by the By-laws of said institution.

### RECITALS

After a decade of collaboration between Inditex and labour unions, and seven years after the execution of the Global Framework Agreement between Inditex and IndustriALL Global Union (previously ITGLWF), the parties thereto have deemed it appropriate to renew this Agreement for the purposes of reaffirming the undertakings therein contained.

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The main purpose of the Agreement remains ensuring respect of Human Rights within the labor and social environment, by promoting decent work throughout Inditex's Supply Chain.

With this respect, the signatories of the Agreement confirm the interest that the experience of these past years has meant both for Inditex's CSR strategy and for labour unions.

The balance of these ten years of collaboration has revealed that the common goals sought by IndustriALL Global Union and Inditex are complex, as they encompass all work premises and all workers within Inditex's Supply Chain with the intervention of the local unions coordinated by IndustriALL Global Union, especially because such goals must be sometimes upheld in certain locations where no effective legal systems are in place.

Throughout these years, the signatories of the Agreement have established the effectiveness of corporate and labour cooperation to contribute to such goals, resolving any and all conflicts raised and remedying any and all potential breaches of Inditex's Code of Conduct for Manufacturers and Suppliers detected. Therefore, this Framework Agreement has become a benchmark that its signatories and will continue to promote in the new era that begins with the signature of this renewal.

Considering the foregoing, the signatories have decided to proceed to newly execute this Global Framework Agreement to ratify its validity, reaffirm its undertakings and renew the respective responsibility of each party, through a proactive attitude towards facing the challenges that may be raised.

Thus, the parties raise the following considerations and regulations:

**FIRST.-** Whereas, Inditex made up of a group of companies mainly devoted to the manufacture, distribution and sale of apparel and accessories, considers that its Corporate Social Responsibility (hereinafter CSR) includes a commitment to apply Principles and Criteria of sustainable and supportive social development to improve the Fundamental Human, including labour and social, Rights and living conditions of the communities with which it deals, especially through its manufacturing activities.

**SECOND.-** Whereas, IndustriALL Global Union that is composed of trade unions and trade union federations which organise workers in the whole industry, including textile, garment, footwear, leather and other light industries as appropriate is committed to defending the rights and interests of workers at the global, regional and sub-regional levels including through promoting international labour standards within the CSR strategies of global corporations.

**THIRD.-** Whereas since February 2001, Inditex has a Code of Conduct for External Manufacturers and Suppliers which was replaced in 2012 with the Code of Conduct for Manufacturers and Suppliers (a copy of which in its latest version of 2012 is attached hereto as Annex I) which must be complied with by all external suppliers and whose implementation is verified through social audits.

**FOURTH.-** Whereas, Inditex, in order to exercise its CSR commitments globally, recognises IndustriALL Global Union as its global trade union counterpart for workers engaged in the production of textile, garments and footwear.

**FIFTH.-** Whereas, both Inditex and IndustriALL Global Union undertake to collaborate to ensure the application of International Labour Standards, including International Labour Organisation (hereinafter ILO) Conventions No. 29, 87, 98, 100 y 105, 111, 135, 138, 155, 159 and 182 as well as the Universal Declaration of Human Rights, the UN Convention on the Rights of the Child and the OECD Guidelines for Multinational Enterprises.

Consequently Inditex and IndustriALL Global Union have agreed to establish a collaborative Global Framework Agreement (hereinafter the Agreement) to ensure the effective application of all International Labour Standards throughout the “supply chain” of Inditex as set out below.

On the other hand, Inditex and IndustriALL Global Union, drawing from the experiences of the enforcement since execution in 2007, attach hereto as Annexes Inditex’s Code of Conduct for Manufacturers and Suppliers and the Protocol executed in 2012 that lays down the ways that trade unions in each country may act, under the guidance and coordination of IndustriALL Global Union

### **STANDARDS**

**FIRST.-** Inditex and IndustriALL Global Union both acknowledge the central role of Freedom of Association and the Right to Bargain Collectively as set out in ILO Conventions No 87, 98, 135 and Recommendation 143 as the key to ensuring the sustainable and long-term observation of all other International Labour Standards throughout the Inditex “supply chain” because they provide workers with the mechanisms to monitor and enforce their rights at work.

**SECOND.-** Inditex undertakes to apply and insist on enforcement of the International Labour Standards mentioned above throughout its “supply chain” regarding all workers, whether they be directly employed by Inditex or by its external manufacturers or and suppliers,

**THIRD.-** The terms and conditions of the Agreement shall apply throughout the Inditex supply chain including in workplaces not represented by IndustriALL Global Union affiliated trade unions. IndustriALL Global Union and Inditex undertake to inform other trade unions in these latter places of the terms and conditions hereunder agreed.

**FOURTH.-** IndustriALL Global Union will work with Inditex to help secure full compliance with the following standards set out in the international instruments mentioned above and 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
  - 14.1. Transparency
  - 14.2. Reference to national legislation, Conventions and Agreements
  - 14.3. Verification of compliance
  - 14.4. Ethics Committee and Whistleblowing Channel

### **IMPLEMENTATION**

**FIRST.-** Inditex and IndustriALL Global Union shall keep under review developments on Freedom of Association and the Right to Bargain Collectively throughout the Inditex “supply chain”. Where problems are detected Inditex and IndustriALL Global Union will cooperate in finding solutions, including collaborating on training programmes for the managements and workers concerned.

**SECOND.-** Inditex and IndustriALL Global Union agree to an annual review of the application of the Agreement and accordingly will create a committee comprised of three representatives from Inditex and three representatives from IndustriALL Global Union to undertake that annual review.

**THIRD.-** To facilitate the on-going review of Freedom of Association and the Right to Bargain Collectively and the annual review of the Agreement, Inditex undertakes to provide reasonable information on its supply chain to the IndustriALL Global Union.

**FOURTH.-** Inditex and IndustriALL Global Union undertake 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.

**FIFTH.-** Inditex undertakes to inform its external suppliers of the contents and intent of the Agreement while IndustriALL Global Union will do likewise with its trade union affiliates and other relevant trade unions as appropriate.

**SIXTH.-** Inditex and IndustriALL Global Union undertake jointly to develop training policies and programmes on labour issues designed to progress the implementation of the Agreement throughout the Inditex “supply chain”.

### **GENERAL**

**FIRST.-** Inditex and IndustriALL Global Union 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 at least three months in advance of its expiry date or date of expiry of its extensions, that it does not wish renewal.

**SECOND.-** Inditex undertakes to work with its suppliers and IndustriALL Global Union with its trade union affiliates, to make all possible efforts to ensure the successful implementation of the Agreement throughout the Inditex “supply chain”.

## INTERPRETATION

**FIRST.-** Questions concerning the interpretation of the Agreement shall be resolved through consultation between Inditex and IndustriALL Global Union. Every effort will be made to find common agreement but where this is not possible Inditex and IndustriALL Global Union will, in appropriate circumstances, seek the expert advice of the ILO.

**SECOND.-** The present Agreement is signed both in Spanish and in English language. In case of any discrepancy, the Spanish version shall prevail.

Geneva, 8 July 2014

**Inditex, S.A.**



**Mr. Pablo Isla Álvarez de Tejera**

**IndutriALL Global Union**



**Mr. Jyrki Raina**

