



**Workers  
at the Centre  
2021**



Our work in the field of social sustainability is aimed at generating a positive impact on both the workers at the suppliers and factories that produce for Inditex and their communities, as well as the broader industry. The Workers at the Centre 2019-2022 strategy further strengthens our commitment to workers, fuelled by a culture of collaboration and transversality.



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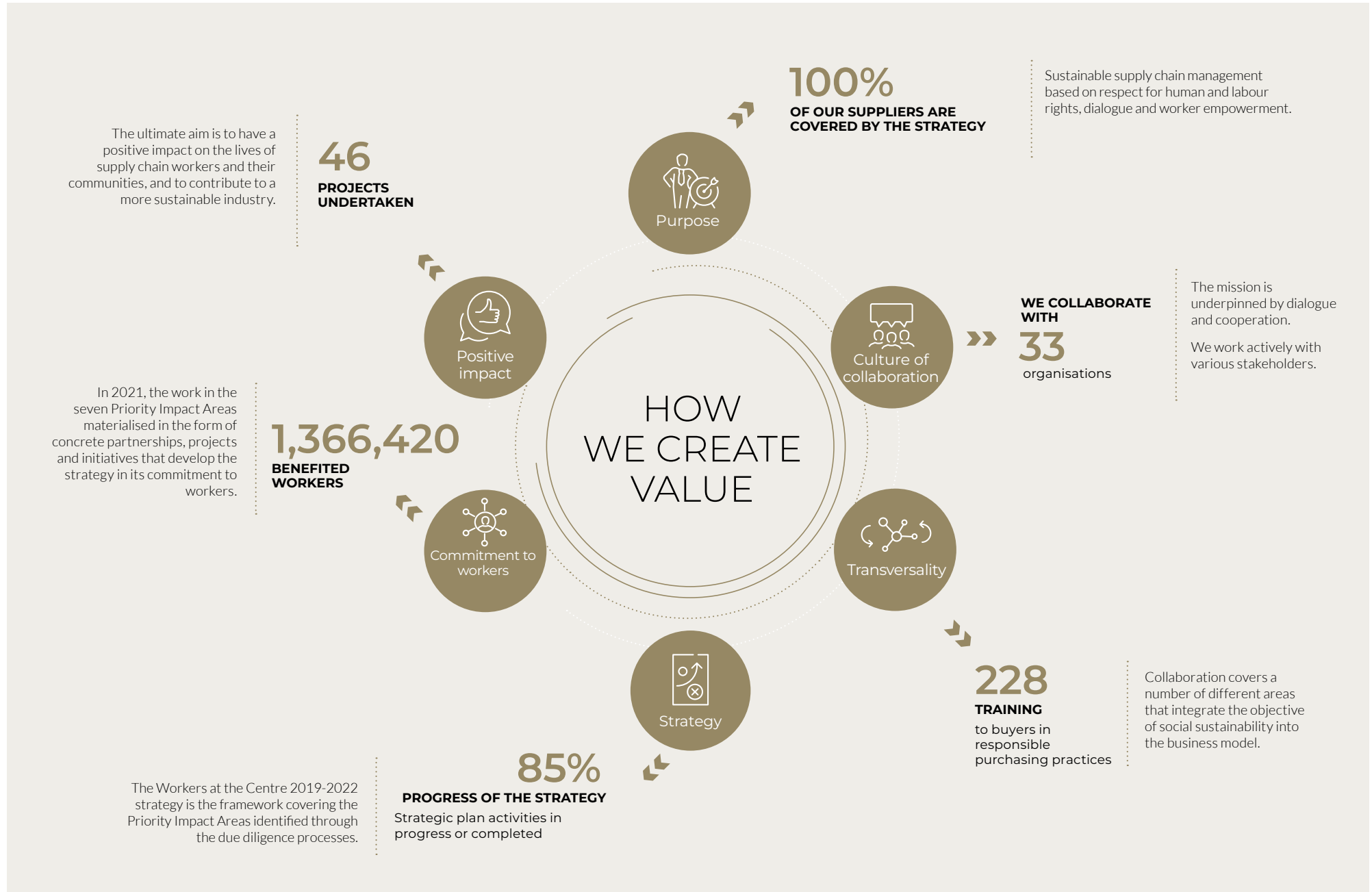
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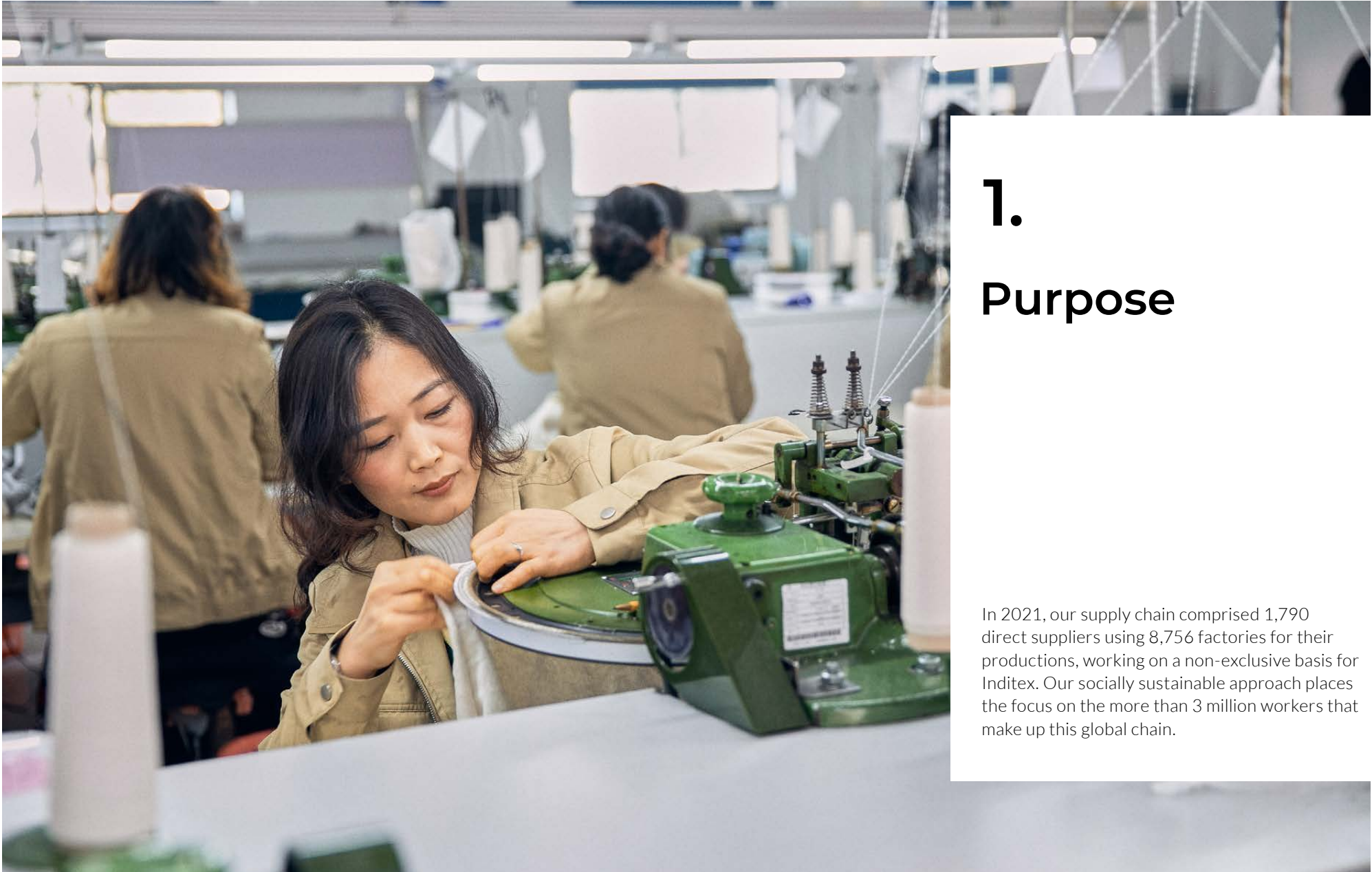
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# 1. Purpose

In 2021, our supply chain comprised 1,790 direct suppliers using 8,756 factories for their productions, working on a non-exclusive basis for Inditex. Our socially sustainable approach places the focus on the more than 3 million workers that make up this global chain.



## 1.1. Our purpose

At Inditex, we consider that we have the responsibility and opportunity to help create socially-sustainable production environments for workers in our supply chain, thus generating a positive impact on the textile industry, which in many countries and regions is a significant driver of economic growth and progress. Accordingly, we ensure that our suppliers and manufacturers work in adherence to the values and responsible practices that define the Group. One way to achieve this is to launch projects that foster the improvement of social and labour conditions in each production area or cluster, in continuous collaboration and dialogue with official bodies, institutions and other relevant stakeholders.

To achieve this purpose, we work on:

### a. Identifying, assessing and improving the working conditions of 100% of our supply chain.

The companies in our supply chain are subject to our [Code of Conduct for Manufacturers and Suppliers](#). They must meet the standards set forth in the Code to join and remain part of the supply chain. We have verification and compliance improvement tools

that cover the entire supply chain and enable us to sustainably and responsibly manage our suppliers.

### b. Being catalyst of change in the industry by promoting sustainable practices.

The long-term approach to sustainability is geared towards a more sustainable industry and more prosperous communities. Based on this vision, we work closely with stakeholders to address the shared challenges throughout the supply chain and we stand close to workers to understand their needs and provide them with the necessary tools for their empowerment, participation and well-being.

Considering the broad ecosystem of countries, suppliers, factories and, above all, workers and their families linked to our supply chain, we address our supply chain's social sustainability with a responsible, transparent and cross-cutting approach, subject to the respect for human rights.

## TO ACHIEVE OUR PURPOSE

### We identify, assess and improve the working conditions of 100% of our supply chain:

- / We cover 100% of the supply chain
- / Suppliers subject to compliance with the Code of Conduct for Manufacturers and Suppliers and with our standards
- / We have tools to verify compliance

### We are catalyst of change in the industry by promoting sustainable practices

- / More sustainable industry in the long term
- / More prosperous communities
- / Collaboration with stakeholders
- / Responding to workers' needs
- / Tools for empowerment, engagement and well-being



#### FURTHER INFORMATION

in section 5.5.1  
Sustainable supply chain  
management of the 2021  
Statement on Non-  
Financial Information

**Our purpose is to carry out sustainable supply chain management based on respect for human and labour rights, social dialogue and worker empowerment.**

## 1.2. Context

Social sustainability of the supply chain has evolved swiftly in the last few years and requires solid policies and procedures to tackle the external changes and geopolitical, demographic and socio-economic challenges in the supplying countries.

Likewise, stakeholders' expectations are growing and we are seeing increasingly dynamic and complex conditions as the business model evolves.

Consequently, clear strategies are needed, with a transformational approach and goals that are aligned both internally and externally. At the same time, we must be able to adapt and find the flexibility needed to respond to requirements and realities in constant flux. The recent health crisis has shown at the global level that sustainability must be strategic and must permeate the culture so as not to leave anyone behind. But it must also have sufficient response capacity to identify those impacts that shape stakeholders' needs in real time.

In 2018, when we designed our current strategy, we pinpointed the challenges and opportunities to be taken into account, and these remain relevant today. Furthermore, over the course of implementing the strategy we have identified new challenges and opportunities that we have integrated into our analyses and actions, acting flexibly and responding to the environment and the context.

### A more demanding environment

All the stakeholders, from customers to shareholders and investors, including civil society organisations and the wider community, expect companies to be responsible and sustainable in all





# CHALLENGES AND OPPORTUNITIES

## IDENTIFIED WHILE DEVELOPING THE STRATEGY

- ✓ A more demanding environment
- ✓ Human rights challenges
- ✓ Global objectives
- ✓ From compliance to commitment
- ✓ Auditing-fatigue



CREATE A STRATEGY BASED ON WORKERS' NEEDS

## INCORPORATED IN THE COURSE OF THE STRATEGY

- ✓ Recent legislative developments
- ✓ Impact of the health crisis
- ✓ More holistic vision of sustainability



ADAPT AND ADVANCE OUR WORK IN CONNECTION WITH HUMAN RIGHTS

their operations, including in their supply chains. The impact of companies extends beyond their factories, and also affects the workers' families and the communities where they live.

The demand for greater transparency, and for looking beyond the first tiers of the supply chain to create a positive impact, has steadily increased. This is evidenced by the fact that, on the one hand, in the last few years the number of sustainability indices and evaluations that include or even focus on the social management of the supply chain has risen exponentially, while, on the other hand, customers are more aware of the products

they buy and want more information about the conditions of the workers who make them.

### Human rights challenges

Over the course of our journey in the area of sustainability, we have identified a range of challenges that we have had to address and include in our strategy. Greater knowledge and maturity of our supply chain, along with increasing collaboration in the industry, has allowed us to identify potential impacts on certain groups that are present in our supply chain, such as women or migrants. Similarly, it has brought us closer to certain important labour-related issues for

workers at the factories, such as living wages and social dialogue. It has also allowed us to spotlight areas further away from our supply chain, such as the fields where the raw materials used in our productions are grown.

The identification of these challenges has fuelled our strategy, since we have factored them into it and made them a priority as we strive to foster respect for the human rights of the workers in our supply chain.

### Global objectives

In the last decade, the United Nations has established two important milestones to define global priorities and aspirations: the [Guiding Principles on Business and Human Rights](#) and the Sustainable Development Goals.

Both elements are interconnected and offer tools and knowledge that make sustainability a cornerstone of corporate strategy. They have become universally accepted standards and, for the first time ever, there is an explicit expectation in society that companies should act in a responsible manner.

### From compliance to commitment

We have gone from a compliance-centric approach to one that examines the impact of each activity, also taking into account the sustainable impact on workers and the creation of positive social value. Awareness among suppliers of their responsibility and the empowerment of workers are core elements for the successful development of this approach.

## Auditing-fatigue

The [OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector](#), published in 2017, acknowledges that “Auditing-fatigue is a challenge in the sewing and footwear sector. At the same time, some form of validation is necessary to give the enterprise confidence that it is preventing harms in its supply chain. Enterprises should therefore seek to balance between assessing suppliers and supporting ongoing monitoring.”

Since the strategy was first introduced in 2019, new challenges have been identified, and existing ones have been stepped up and included in our analysis of the continuous improvement of the strategy, such as the impact of the health crisis, legislative developments or an increasingly holistic

approach to sustainability, weaving in social and environmental aspects.

## Recent legislative developments

Although the Guiding Principles on Business and Human Rights are not binding, in the last ten years they have been considered to be the global benchmark, accompanying other voluntary standards such as the OECD Guidelines for Multinational Enterprises. However, in recent years there has been a palpable tendency to move from a voluntary approach to enforceable responsibility in connection with sustainability and human rights, as evidenced by the major legislative initiatives in this regard.

For example, in Europe, in the last few years various national laws have been passed concerning due diligence in human rights in countries like France or the United Kingdom.

These and other legislative developments that are expected in the future are unquestionably signalling a paradigmatic shift in the expectations concerning companies’ responsibility in the field of human rights.

## Impact of the health crisis

The health crisis unleashed by the covid-19 pandemic continues to affect millions of people all over the world. As we explain in our Statement of Non-Financial Information, at Inditex we support the suppliers and workers in our supply chain through various plans and initiatives, such as developing practical implementation guidelines to facilitate the proper application of the necessary measures and to protect workers’ health. Likewise, we have been actively engaged in setting up the COVID-19: Action in the Global Garment Industry initiative.

In 2021, although a number of markets resumed much of their commercial and economic activity, others with which we maintain close commercial relations have continued to endure lockdowns, with the resulting impact on the workers in global supply chains. In this regard, at Inditex we have carried on supporting all our suppliers, continuing to implement the measures we introduced last year and that, in certain markets, remain necessary, and integrating all these challenges and the results of our efforts into our social sustainability strategy.

## More holistic vision of sustainability

The general outlook with regard to sustainability entails greater integration between the various branches of this field, with an increasing need for a common and systemic approach to all the areas that make up sustainability. For example, in the last few years we have endeavoured to ensure that the Company’s social and environmental goals were aligned and that the plans and strategies in place permeate the entire organisation, thereby conveying our message of commitment.



### FURTHER INFORMATION

in section 5.5.2. Worker at the Centre of the 2021 Statement on Non-Financial Information



### FURTHER INFORMATION

on our corporate human rights strategy



# 1.3 Journey



Adherences and agreements

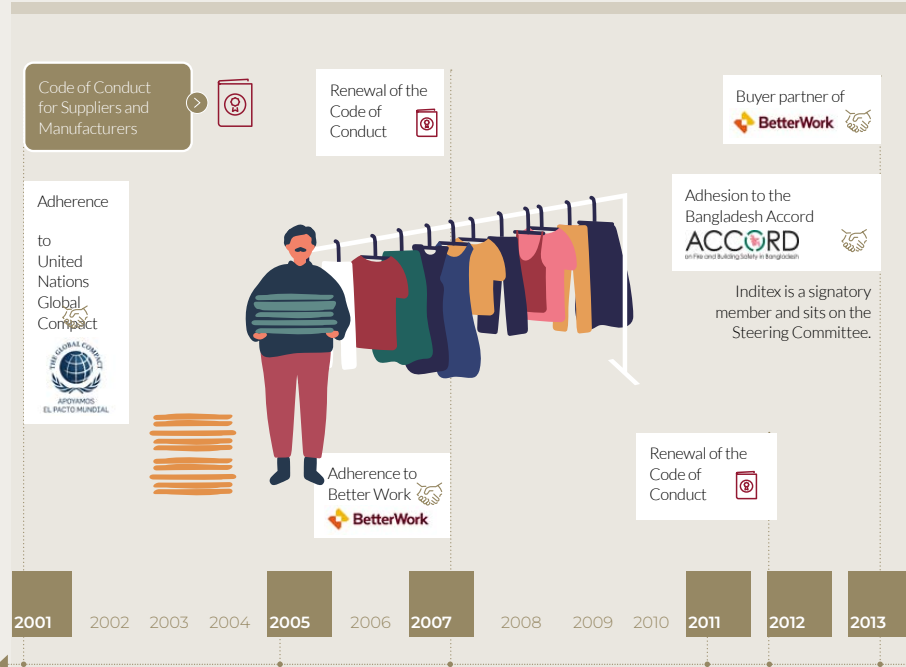


Policies



Strategy

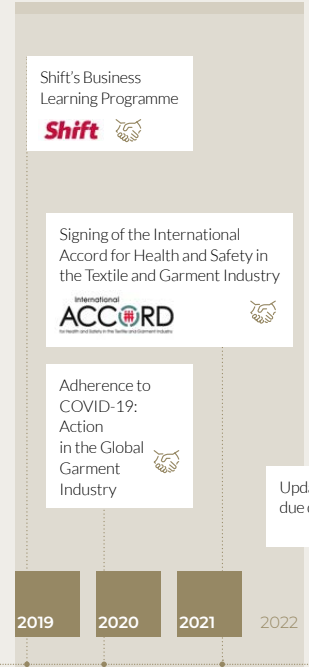
## PHASE 1 (2001-2013)



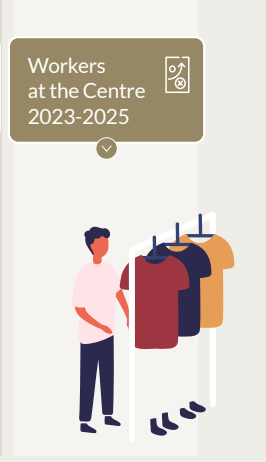
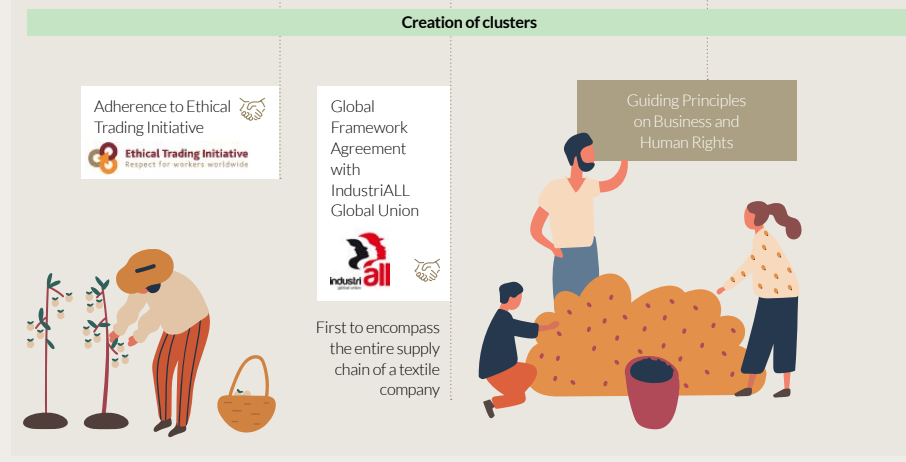
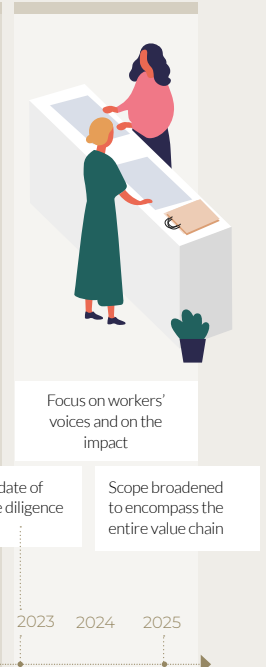
## PHASE 2 (2014-2018)



## PHASE 3 (2019-2022)



## PHASE 4 (2023-2025)



Our work on social sustainability, rooted in our corporate human rights strategy spans a considerable scope. We have policies on which the different strategies are grounded, strong alliances and partnerships with trade unions, governments, industry brands, NGOs and other experts in the field, and a global in-house team with extensive experience and expertise in human rights, labour rights and industrial relations, among other areas.

Our journey to socially responsible supply chain management is made together with our suppliers and manufacturers and other stakeholders, tackling common challenges from a perspective of co-responsibility.

## Phase 1 (2001-2013)

The approval of the Code of Conduct for Manufacturers and Suppliers in 2001 signalled the formal embodiment of Inditex's work in the management and strengthening of the supply chain. The first phase was launched under clear leadership from the Company's senior management and with an acute sense of responsibility towards the people producing our articles, who are a part of who we are.

The Code of Conduct for Manufacturers and Suppliers, along with the Compliance Programme that guarantees its implementation, have together formed the basic framework for managing and strengthening the sustainability of the supply chain for more than a decade, and they remain the bedrock of its management.



## CODE OF CONDUCT OF MANUFACTURERS AND SUPPLIERS

One of the first milestones in the initial phase was to create a [Code of Conduct for Manufacturers and Suppliers](#). This is the basis for our relationship with suppliers and enshrines our mandatory standards in connection with human and labour rights, product health and safety and environment. It was presented and published in 2001 after being approved by the Board of Directors.

The Code is based on the main principles of the OECD, the ETI (Ethical Trading Initiative) Base Code, the United Nations Global Compact principles and the main

conventions of the International Labour Organization, among others.

The scope of application of the Code extends throughout our supply chain and is binding on all our suppliers, regardless of their position in the chain. Like the rest of our work, the Code is permanently under review with the aim of adapting it to the new realities, incorporating best practices and reinforcing its validity.



### FURTHER INFORMATION

on our corporate human rights strategy.





**It is essential to understand the needs of workers, their families and the communities in which they live, as well as to provide them with the necessary tools to promote decent work and decent lives. We can thus lead the way towards sustainability hand in hand with all those who make up and participate in our supply chain.**

connection with human, labour and social rights through visits, audits, accompaniment of suppliers, corrective action plans and training, among other measures, so as to identify workers' needs. On that basis we developed and implemented projects and activities that not only impact the workplace, but reach the communities where workers live, while at the same time working across the sector to drive the changes needed to secure a more sustainable industry.

The foregoing is conducted on the basis of strict standards, applied by the whole Company and transparently shared with our suppliers. With them we build stable and trusting relationships with joint responsibility, which foster a responsible and sustainable production environment.

With another year to go before the conclusion of the current strategy, we continue to make progress and we are focusing on our positive impact, which means getting to know the context of our supply chain and what position Inditex must adopt on the path to sustainability.

## Phase 2 (2014-2018)

Our first public strategy for the social management of the supply chain was formally introduced in 2014. The Strategic Plan for a Stable and Sustainable Supply Chain 2014-2018 emerged from the Group's conviction of the importance and role of companies in fostering and protecting human rights, fundamental labour rights and the standards of the leading institutions on sustainability. This plan encompassed four lines of action—identification, assessment, optimisation and sustainability—and established measurable strategic goals through 2018 for each of them.

In 2018, thanks to the experience and learning process of the evaluation and improvement tools deployed in the Strategic Plan, we defined priority

areas in which to focus our actions over the longer term. The core aim is to place workers at the centre and orient projects towards systemic change and their empowerment.

## Phase 3 (2019-2022)

Based on this, in 2019 the current Workers at the Centre 2019-2022 strategy was formally introduced, culminating the transformation from a compliance-centric to an impact-based approach.

Over the years, we have focused on getting to know our supply chain, evaluating its maturity in

## Phase 4 (2023-2025)

When the strategy is completed in 2022, a new phase will commence more focused than ever on the transformational impact on workers, their communities and the industry. To achieve this, we will update the due diligence process, which will form the basis of the new strategy.



## 2. Culture of collaboration

For Inditex, the culture of collaboration is intrinsic to the management of a global supply chain. We have always understood that it is only by knowing the reality of the people who make our products and by having a close relationship with our stakeholders that we can develop a strategy that has a real impact.

**2.1** Collaboration as a lever for change | **2.2** Working in clusters | **2.3** Supporting our suppliers | **2.4** Strategic alliances





**Workers and their well-being are the driver of all our endeavours in the supply chain. Only a sustainable approach based on the collaboration and experience of all relevant players will lead to better protected and more empowered workers.**

We have sustainability teams in the main production markets, keeping us in direct contact with suppliers, workers, trade unions, NGOs, local and national authorities, international organisations and academic institutions, among others.

Inditex's aim is for this culture of collaboration to result in the improvement, not only of the supply chain, but of the textile industry as a whole. We want to be the lever for the change that society demands.

PARTNERING



## 2.1. Collaboration as a lever for change

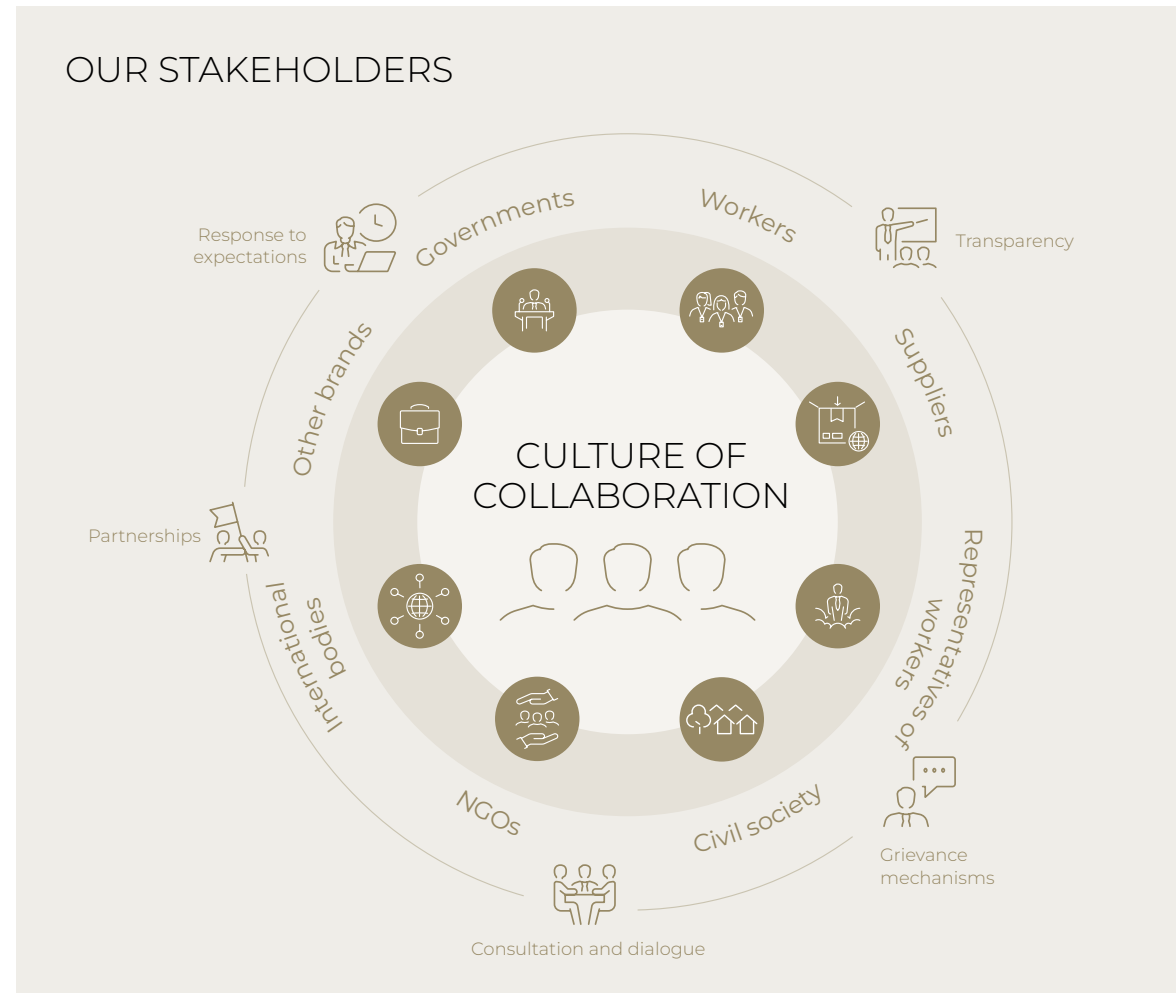
Stakeholder commitment and engagement is a fundamental pillar of Inditex's supply chain strategy. The challenges posed by a global supply chain are shared, so collaboration is required to have a leveraging and lasting impact.

In particular, our sustainability goals for the supply chain are shared by other players, including suppliers, manufacturers, companies and brands, and other stakeholders such as NGOs, trade unions and local and international organisations.

At Inditex, we are firmly committed to collaboration, weaving networks of trust with our partners. The first step is to recognise common goals and establish frameworks for transparency and understanding so as to be able to respond to the expectations of all parties.

The Group's focus on dialogue and transparency is in keeping with its goal of creating value in a sustainable manner and is the key to address the challenges and opportunities that emerge in the course of its business. It also enables us to progress in our promotion of human rights or towards the attainment of the Sustainable Development Goals (SDGs) through partnerships, as established in SDG 17.

In fact, not only is the involvement of stakeholders key to the Company's supply chain strategy, but it is also enshrined in the business model. Getting to know and working with all our stakeholders, and understanding and meeting their expectations are key to Inditex's strategy.



Furthermore, we have solid grievance mechanisms, one of the three pillars of the Group's human rights strategy. Among the various mechanisms for consultation and dialogue, we highlight the Social Advisory Board, and external sustainability advisory body comprising independent persons or institutions external to the Group.

**FURTHER INFORMATION**  
 on the Social Advisory Board in section 5.9.3 Good corporate governance of the 2021 Statement on Non-Financial Information.

**FURTHER INFORMATION**  
 on grievance mechanisms in section 5.9.1. Internal corporate ethical culture of the 2021 Statement on Non-Financial Information.

## 2.2. Working in clusters



**12**

**CLUSTERS**

Spain, Portugal, Morocco, Turkey, India, Bangladesh, Pakistan, Vietnam, China, Cambodia, Argentina and Brazil; markets that together account for

**97%**

**OF PRODUCTION**

To collaborate and establish partnerships based on communication, transparency and trust, it is fundamental to be on the ground so as to understand the real situation in the countries of our supply chain. Hence, Inditex has arranged so-called supplier clusters. We define clusters as spaces for cooperation and dialogue, the purpose of which is

to foster a sustainable production environment in a strategic geographic area and within a framework of compliance with human and labour rights. Inditex has 12 clusters: Spain, Portugal, Morocco, Turkey, India, Bangladesh, Pakistan, Vietnam, China, Cambodia, Argentina and Brazil; markets that together account for 97% of the Group's production. Each cluster

brings together local professionals with extensive experience in the field of sustainability and a raft of skills and abilities who form multidisciplinary teams to engage in fluid cooperation with suppliers and the various organisations in their sphere of influence.

## 2.3. Supporting our suppliers

We support our suppliers in every aspect of our commercial relationship, since social sustainability is a shared responsibility: suppliers must respect and foster social and labour human rights, not only as a prerequisite for their relationship with Inditex, but for their own responsibility. In this journey, our goal is to support them in improving the supply chain, training them and helping them through the projects designed as part of our strategy.

### Guiding Principles on Business and Human Rights

#### Guiding Principle 14

The responsibility of business enterprises to respect human rights applies to all enterprises regardless of their size, sector, operational context, ownership and structure.



### SHARED RESPONSIBILITY



Collaboration and communication with suppliers commences even before they join the supply chain



COMMUNICATION AND DIALOGUE

SOLVING ISSUES

ACCOMPANIMENT

DEVELOPING PROJECTS AND PROGRAMMES

ASSESSMENTS AND ACTION PLANS

TRAINING CONCERNING OUR POLICIES, STANDARDS AND REQUIREMENTS



### OUTCOMES



INDITEX

It helps us to ascertain the reality of our suppliers and foster a sustainable supply chain



SUPPLIERS

Improves the conditions at the factories it works with



WORKERS IN THE SUPPLY CHAIN

Main beneficiaries of the programmes and projects we implement



INDUSTRY

A common approach to the challenges shared by the industry



SOCIETY

Transformation based on a positive impact





## SUPPLIER TRAINING

For Inditex, training our suppliers is fundamental to achieve progress in social sustainability. We conduct training concerning our mandatory standards as well as our requirements and procedures.

In addition, we provide more specific training in topics that are relevant because of the nature of our supply chain and that generate a particular interest among our suppliers and, more specifically, among the factory workers. In this regard, we conduct training on issues such as: gender equality, freedom of association or health and safety matters. In 2021 we provided 260 training programmes to 521 suppliers.

Our supplier relations commence before a supplier even joins our supply chain. We use assessments to understand their maturity in the field of human, social and labour rights. Once again, it is worth underscoring the importance of our clusters in supporting suppliers throughout the commercial relationship.

This relationship is based on an exercise of joint growth, accompaniment, trust and transparency. We endeavour to ensure that they know and implement our social requirements and standards and we assess their compliance therewith. In addition, we support them through corrective action plans where necessary, in which we accompany them in the process of introducing any improvement needed.

At the same time, we work on various lines of action, such as in training concerning our standards, or more specific concepts in connection with social topics, such as living wages or social dialogue. Lastly, we devise and implement projects to pinpoint specific needs with the ultimate aim of empowering workers through the positive impact on their workplace, their well-being and the industry at large.



### FURTHER INFORMATION

on our corporate human rights strategy.



### FURTHER INFORMATION

on the assessment and continuous improvement of our supply chain in section 5.5.1. Sustainable management of the supply chain of the 2021 Statement on Non-Financial Information.

**521**

**SUPPLIERS TRAINED IN 2021**



**Partnerships help us to create transformative knowledge through interaction, learning and action, as well as developing strategic alliances that involve workers in our supply chain.**

## 2.4. Strategic alliances

The benefits of working with third parties to develop and define common strategies are irrefutable. They have different and complementary skills and resources, and operate at different levels.

At Inditex, we work constantly with a range of partners both in our current projects and in developing new initiatives. Likewise, we are continually seeking new partners with whom to collaborate with a view to progressing in our strategy and adding value in common objectives.

One of our most significant relationships is with the international trade union federation IndustriALL Global Union, with which Inditex signed a Global Framework Agreement in 2007 that was last renewed in 2019. IndustriALL Global Union represents more than 50 million industrial workers

belonging to more than 600 trade unions across 140 countries. The agreement highlights the essential role of respect for freedom of association and collective bargaining rights. In this regard, the two organisations agreed to work together to ensure a more effective implementation of the International Labour Regulations.

We also work in different spheres and levels with international organisations such as the International Labour Organization (ILO) through Public-Private agreements, the Better Work initiative, the United Nations Global Compact and its Action Platform on Decent Work in Global Supply Chains or the Ethical Trading Initiative as a platform for dialogue between brands, trade unions and other organisations, among others.



With regard to our work with various organisations, we collaborate globally and locally to implement and execute training and projects, as well as to share know-how, lessons learned and best practices that might be transformed and materialised through a number of different projects.

One example is our collaboration with Shift, an expert organisation in human rights that helps us to devise our strategy and to continually incorporate new practices.

At the sector level, collaboration between different companies in the industry is becoming increasingly important to drive sustainability together, by pre-competitive collaboration between brands and other players such as trade unions or industrial organisations. For some years we have been taking part in various initiatives, such as ACT (Action, Collaboration, Transformation) which works to achieve living wages in the supply chain through responsible purchasing practices and collective bargaining. In 2020 we also joined the COVID-19: Action in the Global Garment Industry initiative, aimed at spurring action in the global textile sector to help the industry tackle the economic impact of the pandemic, while protecting the incomes, health and employment of workers in the industry.

In addition to our global partnerships, it is worth noting the role of local organisations and collaborations in developing our strategy. Thanks to the drive, know-how and efforts of our



partners on the ground in each of the markets where we operate, we are able to launch projects and initiatives targeting the employee well-being and communities, being closer to them and understanding their local needs.



**FURTHER INFORMATION**

in Annex: list of alliances and partnerships





# 3. Transversality

Transversality enables us to weave a network. This facilitates the integration and permeation of sustainability throughout the Company and, in particular, the business model.

### 3.1. Governance

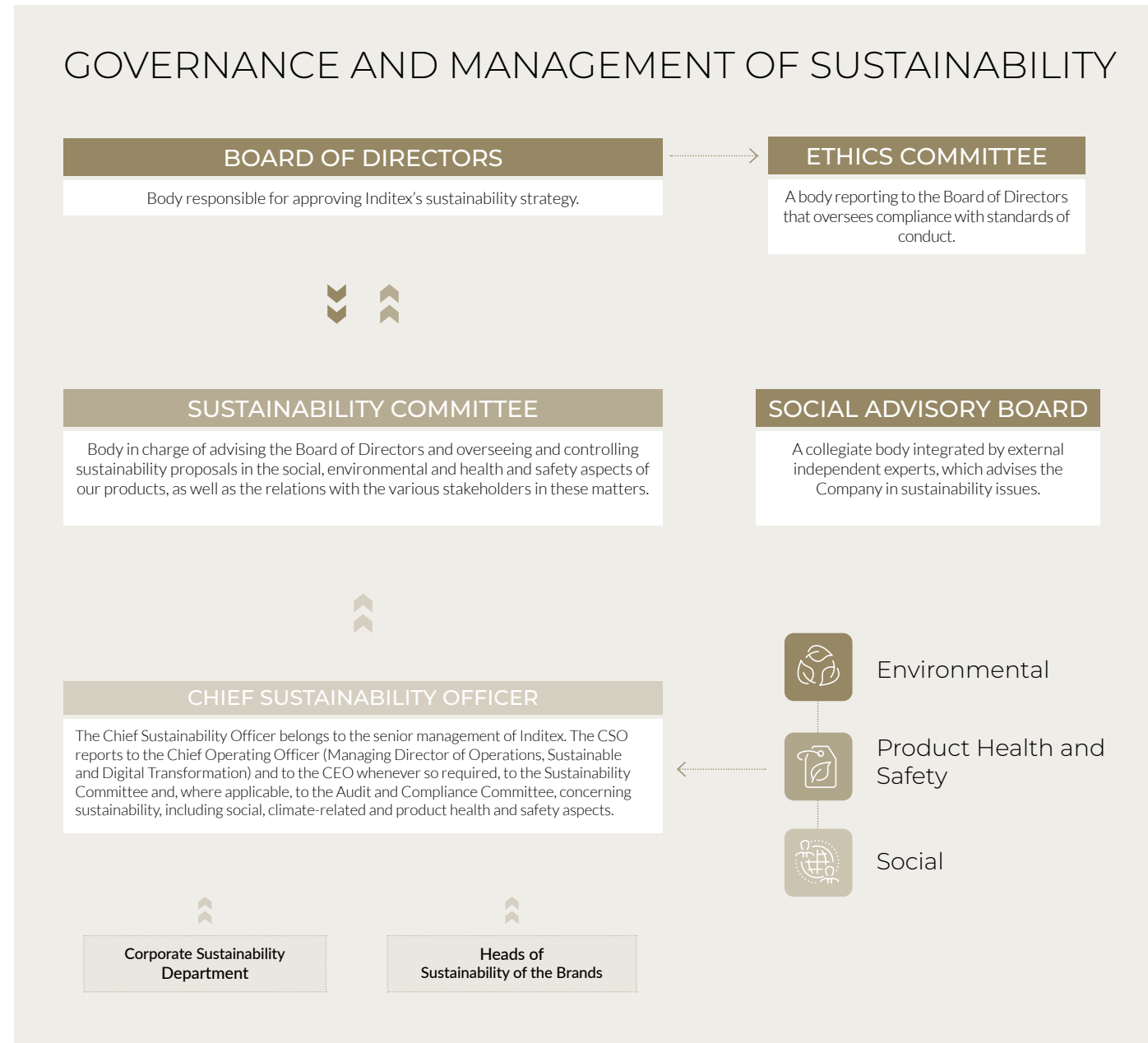
The integration of social sustainability in the business model hinges on the support and unwavering commitment of the Company’s management. This premise has been non-negotiable over the years and has enabled Inditex to progress in its sustainable business model, often anticipating the demands of stakeholders and introducing best practices and lessons learned in connection with sustainability into the Company’s processes.

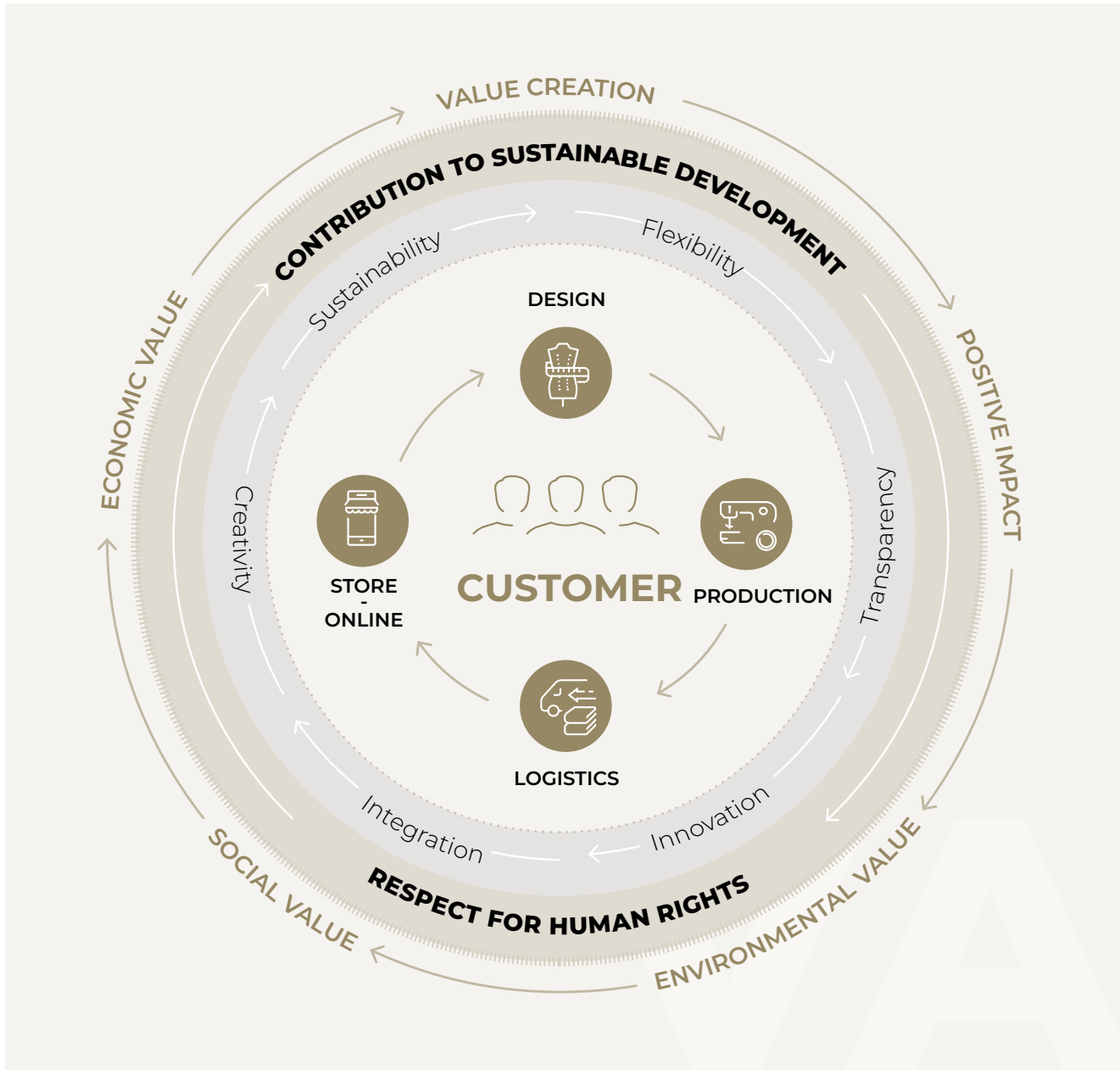
The social sustainability strategy is a part of Inditex’s corporate sustainability strategy, coordinated and complemented by the various sustainability areas of each of the Group’s brands.

The Board of Directors is the body responsible for approving the sustainability strategy and the policy on human rights. Reporting to the Board is the Sustainability Committee, an informative and consultative body, responsible for advising, overseeing and controlling sustainability proposals, and fostering the company’s commitment to the Sustainable Development Goals and human rights, as well as steering relations with the various stakeholders in these matters.

The Group also has a Social Advisory Board, a collegiate body integrated by external independent experts, which advises on human rights, among other issues linked to sustainability.

The Chief Sustainability Officer, the Corporate Sustainability Department and the Heads of Sustainability of the Brands are in charge of managing all aspects of sustainability.





### 3.2 A systemic approach to sustainability

Our business model comprises various phases or elements in which sustainability has a constant and transversal presence.

All the products we market begin with an internal design phase in which our design teams work to ensure that both the definition and composition of the product take into account our sustainability criteria. Subsequently, during the production phase the buying teams, along with the supply chain sustainable management teams, work alongside the suppliers to ensure that the products are made at production facilities that are compliant with our strict social and environmental standards.

The next step is to ensure that the logistics and transportation of our products, and the in-store or online shopping experience, are as sustainable as possible. The aim is to offer our customers quality products that incorporate sustainability from the design idea stage to its arrival to our customers.

Integration of sustainability in this process has been possible thanks to the efforts of the entire Company, the creativity of all the commercial teams, the prioritisation of sustainability, respect for human rights and for the environment as



**FURTHER INFORMATION**

on the assessment and continuous improvement of our supply chain in section 4.1.1. Business model and strategy of the 2021 Statement on Non-Financial Information.





**FURTHER INFORMATION**

on the assessment and continuous improvement of our supply chain in section 4.2.1. Our approach to sustainability of the 2021 Statement on Non-Financial Information.

fundamental principles, and the investment in innovation in this regard as well as the flexibility that our business model affords us.

Thanks to all these endeavours, we manage to generate economic, social and environmental value for all our stakeholders, thereby contributing to sustainable development.

The relationship and synergies between the various areas that, one way or another, nurture a sustainability culture at the Company is highly important to ensuring our systemic approach. Opportunities for joint projects that emerge thanks to the exchange of information are multiplied by having the right communication spaces, tools and channels.

## A SYSTEMIC APPROACH TO SUSTAINABILITY

SUSTAINABLE MANAGEMENT OF THE SUPPLY CHAIN	ENVIRONMENTAL SUSTAINABILITY	COMMERCIAL TEAMS	OTHER CORPORATE AREAS
<p>The social sustainability strategy has a two-way relationship with the sustainable management of the supply chain and its compliance programmes, which enable us to gain a more in-depth knowledge of our suppliers.</p> <p>Thanks to this knowledge, we develop strategies and projects that empower workers and help us to meet their needs and those of the community in which they live, as well as continuously improving the supply chain.</p>	<p>The objectives in terms of human rights are closely linked to environmental challenges and opportunities. In this regard, it is necessary to establish joint and fully aligned sustainability objectives which must be conveyed throughout the Company and to all our stakeholders.</p>	<p>The continuous cooperation and synergies between the commercial and sustainability teams enable us to incorporate sustainability goals and standards from the outset of the product design stage, throughout the purchasing process—integrating responsible purchasing practices, and during production, ensuring that suppliers and manufacturers are compliant with our strict social and human rights standards.</p>	<p>A shared vision of sustainability facilitates coordination with corporate areas such as the General Counsel’s Office and Office of the Chief Compliance Officer, Human Resources, Logistics or Innovation. This is necessary to ensure respect for human rights from the various perspectives offered by our operations and our business model.</p>

**In October 2021, the UN Human Rights Council approved a resolution recognising access to a healthy and sustainable environment as a universal right, without which it is difficult to exercise other human rights, such as the right to health or to life. This is a prime example of how all the spheres of sustainability are interconnected and must advance together.**



A practical example is coordination concerning diversity, which enables us to extend our policies and practices to the entire value chain. Inditex has a [Diversity and Inclusion Policy](#) first approved by the Board of Directors in December 2017 and amended in December 2020.

This policy fosters values such as acceptance, multiculturalism, diversity and equality. In the wake of the expansion of the strategy within the framework of Workers at the Centre 2019-2022 from “Women Empowerment” to “Gender, diversity and inclusion” in 2020, the goal is to share best practices between the diversity and inclusion and sustainability teams so as to design a robust plan focusing on empowering workers in the supply chain in this regard.

Elsewhere, we have worked internally to develop due diligence tools throughout the value chain, including the extension of controls in sustainability for suppliers not directly linked to our main commercial

activity, to ensure that only those that comply with international standards and are aligned with human and labour rights regulations are authorised to embark on a commercial relationship with Inditex.

Moreover, other areas of the Company, such as Logistics and Distribution, continue to integrate social sustainability into their strategy. In 2020, they received training on human rights from the organisation Shift—a leader in the field—and in 2021 a number of initiatives were implemented, such as evaluation and audit processes for distribution centres that work with the Group, and a project aimed at the well-being of drivers for hauliers, among others, that includes training staff at Inditex distribution centres and direct dialogue with drivers to understand their needs.

### 3.3. Responsible purchasing practices

All our buying decisions impact on the workers of our supply chain one way or another. Consequently, it is important to determine how we are going to relate with the manufacturers and suppliers of our products. We develop joint plans and strategies in which communication, trust and honesty between both parties are paramount.

We work with our suppliers and factories to ensure they comply with our strict sustainability criteria and our [Code of Conduct for Manufacturers and Suppliers](#) and that each buying decision is in keeping with sustainability criteria.

To support our commercial teams in making decisions from a sustainability standpoint, we have developed management systems that enable them to carry out real-time monitoring of the sustainability performance of their suppliers so as to directly engage with them to ensure they fulfil their commitments and meet our requirements. At Inditex we only work with those suppliers who meet our expectations and requirements in connection with sustainability. Moreover, we conduct training in this field so that the commercial teams have the basic grounding and can develop a global and integrated approach based on how the Company sees sustainability and, in particular, responsible purchasing practices.

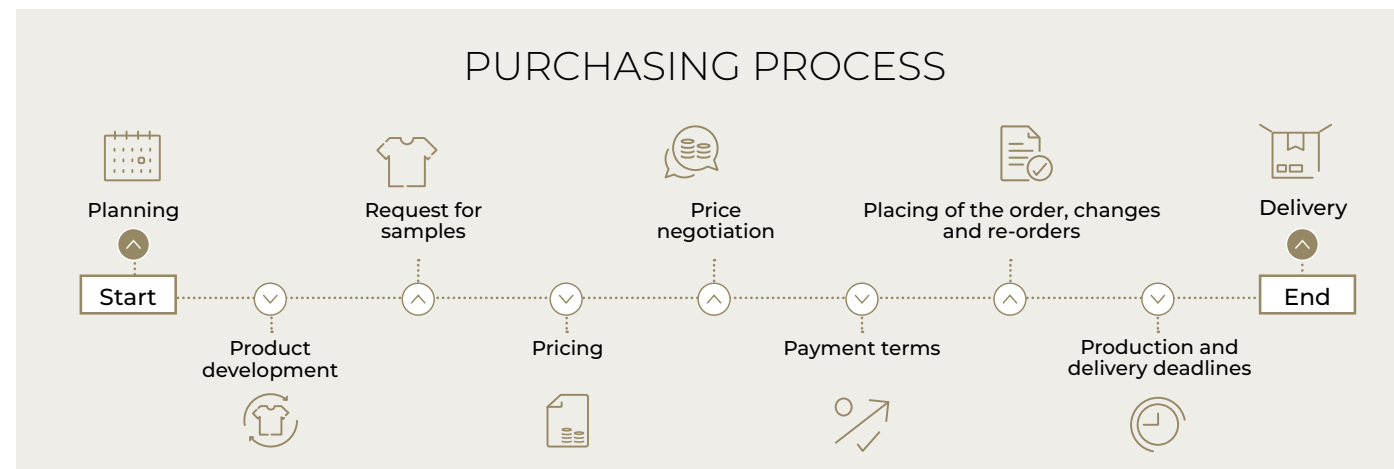
At another level, collaboration with the industry is vital to generate a positive impact on the lives of workers through responsible purchasing practices.

In that regard, one of the notable core initiatives we are part of is ACT, promoted by global textile companies and IndustriALL Global Union to achieve the transformation of the sector and living wages for supply chain workers, through collective bargaining, backed by responsible purchasing practices.

To be able to understand purchasing practices and how the decisions we make affect the workers in our supply chain, it is crucial to define and understand the procurement process. The procurement process commences during strategic planning, when the commercial team plans the purchases for the following months. The next step is to identify which suppliers will be involved in our productions and to develop the products together. After that the parties agree the terms and conditions, the order is completed

and the relevant monitoring is conducted. The buyer monitors the production status until delivery is taken at Inditex's warehouses.

Through training and continuous communication with commercial teams, we work to ensure that each part of the process incorporates sustainability criteria.



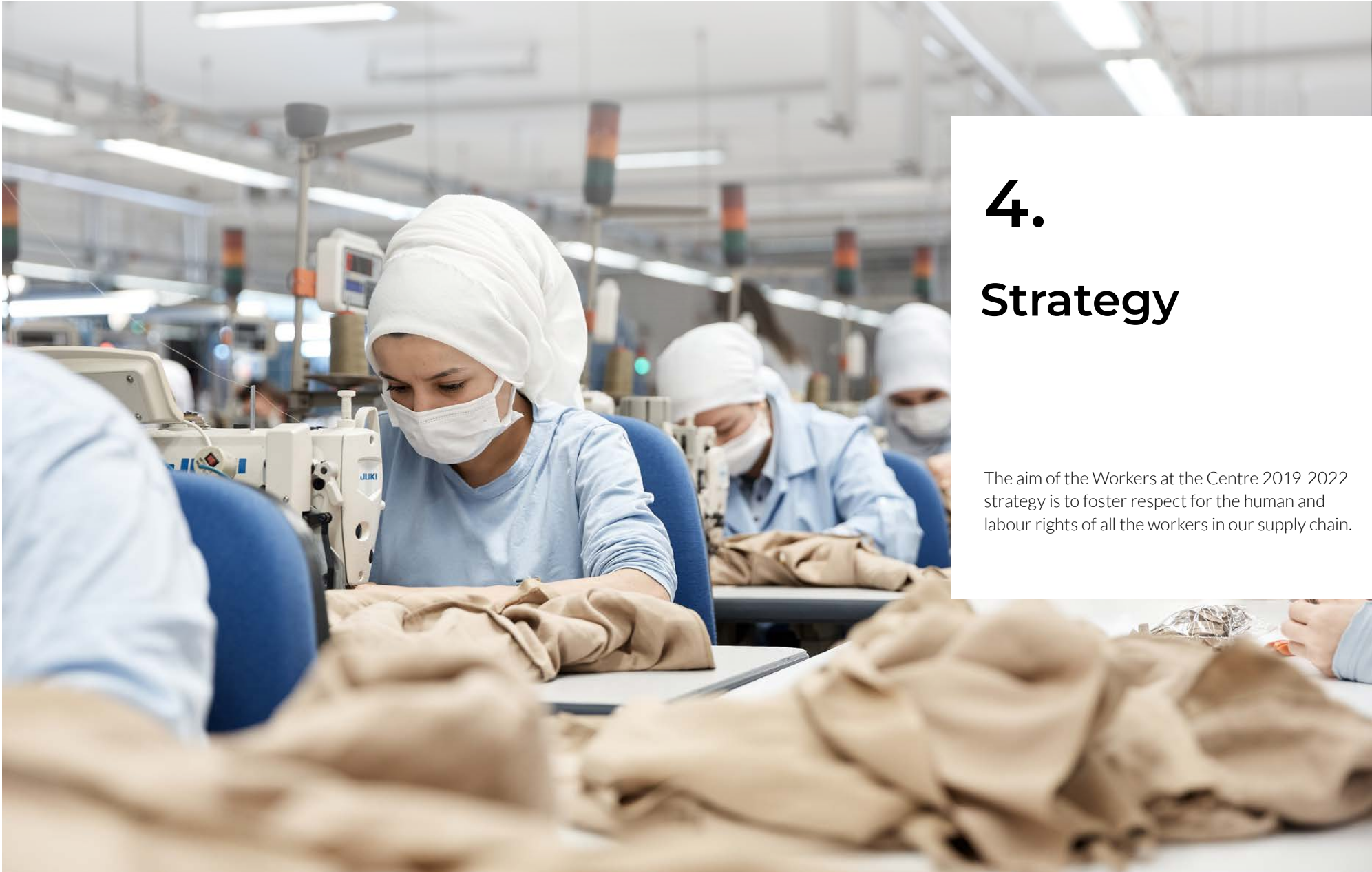




## TRAINING IN PURCHASING PRACTICES

In 2021, training in purchasing practices was provided to 228 buyers and 28 commercial managers of the various brands.

In February and March a detailed survey was carried out among buyers and key suppliers in the main countries where our products are made. The findings were crucial to improve our understanding of the impacts of purchasing practices in the global garment industry. This was the largest ever study on purchasing practices by major global brands.



# 4. Strategy

The aim of the Workers at the Centre 2019-2022 strategy is to foster respect for the human and labour rights of all the workers in our supply chain.



\* Includes activities defined under the strategic plan that are complete or have been in progress since the strategy began





## 4.1. The worker, our priority

Based on the analysis, assessment and knowledge of our supply chain and after a human rights due diligence process, in 2019 we unveiled our Workers at the Centre 2019-2022 strategy.

Supply chain workers are the main focus. We want this strategy to fulfil the dual role of responding to the needs of workers, their families and communities, on the one hand, and promoting decent work and sustainable production environments, on the other. To achieve this we need to rely on suppliers' responsibility and workers' independence, with their voice being heard.

This strategy is possible thanks to a clear vision of what respect for human, social and labour rights means, a culture of collaboration based on dialogue and cooperation with our main stakeholders—suppliers, workers, trade unions, NGOs, civil society, national and local governments—and efforts permeating every area of the Company to connect all projects that integrate the strategy.

It has been three years since the Workers at the Centre 2019-2022 strategy was first unveiled, and the global challenges that supply chains face have been compounded in the recent period due to the pandemic.

In 2021, we addressed the final phase of the current strategy, placing more emphasis than ever on protecting workers.

**We are committed to a safe supply chain for workers and on where we can foster projects with a positive impact on their families and communities. We achieve this by promoting respect for human rights and sustainable development in our relations with our suppliers and stakeholders.**

## 4.2. Key elements of the strategy

### Who is covered by the Workers at the Centre 2019-2022 strategy

All suppliers and manufacturers involved in making articles marketed by any of the Inditex brands, including both direct and indirect suppliers at all levels of the supply chain.

### Pillars of the strategy

The goal of our strategy is to promote the respect for human and labour rights of all the workers in our supply chain. To achieve this, we use the main international standards as reference:

**Our actions are aimed at achieving a positive impact on workers in our supply chain, providing them with the instruments to become drivers of change, acquiring more knowledge and tools to promote their rights.**



Universal Declaration of Human Rights



Sustainable Development Goals



The ILO Declaration (Fundamental Principles and Rights at Work)



Guiding Principles on Business and Human Rights

The strategy is based on respect for:

All human and labour rights internationally recognised and, in particular, those included in:

The International Bill of Human Rights, which includes:

- ✓ The Universal Declaration of Human Rights
- ✓ The International Covenant on Civil and Political Rights
- ✓ The International Covenant on Economic, Social and Cultural Rights

The ILO Fundamental Conventions: 1, 14, 26, 29, 87, 98, 100, 105, 111, 131, 138, 155 and 182, as well as the ILO Declaration on Fundamental Principles and Rights at Work.

Applicable local legislation

### Three dimensions

From the outset we devised this strategy considering three areas in which to steer our objectives. These so-called dimensions focus on workers' well-being, safe and suitable workplaces, and working alongside

the various players within the textile industry so as to address the common challenges we face.

## THREE DIMENSIONS



### WORKPLACE

This dimension reflects Inditex's responsibility to respect and promote all human and labour rights. Through collaborations and projects in constant evolution to adopt best practices and broaden our knowledge, we ensure that all human and labour rights are upheld and protected throughout the supply chain.

**It reflects Inditex's responsibility to respect and promote all human and labour rights throughout the supply chain.**



### WELL-BEING

This dimension is a unique model of technical assistance to institutionalise training in factories and close any gaps we have identified during the assessment process, using the appropriate tools and methodologies. Backed by our experience, we implement long-term projects that are increasingly integrated in nature so as to generate changes in the lives of the workers and their communities.

**We develop projects that effect real change in the lives of the workers and their communities.**



### INDUSTRY

This dimension promotes an impact at the industry level to achieve long-term change in collaboration with various stakeholders (including government organisations, civil society, our own suppliers, other brands, etc.).

**It fosters an effective impact in the sector as a whole to help achieve long-term change.**

At Inditex we are continuously monitoring the main challenges facing our supply chain in connection with human rights. This process has enabled us to identify the seven Priority Impact Areas that serve as a framework for much of our work.

Thanks to a constant due diligence process and taking the Guiding Principles on Business and Human Rights as a reference, we have identified seven Priority Impact Areas in which to work. These areas, which highlight the most salient issues within the supply chain, are key to developing the Workers at the Centre strategy and they define and guide its development.

Improving social dialogue (worker participation); providing sufficient remuneration (living wages); promoting opportunities and improvements for women, as well as gender equality and inclusive environments (gender, diversity and inclusion); guaranteeing protection of workers (occupational health and safety); ensuring that the rights of refugees and migrants are upheld in a cohesive working environment (protection of migrants and refugees); nurturing the well-being of all workers (social protection) and strengthening human and labour rights in the raw materials supply chain (protection of labour rights in the production of raw materials) are the objectives of each Priority Impact Area. All of them form a roadmap for achieving a more sustainable supply chain for the more than three million workers of which it is comprised.



**FURTHER  
INFORMATION**

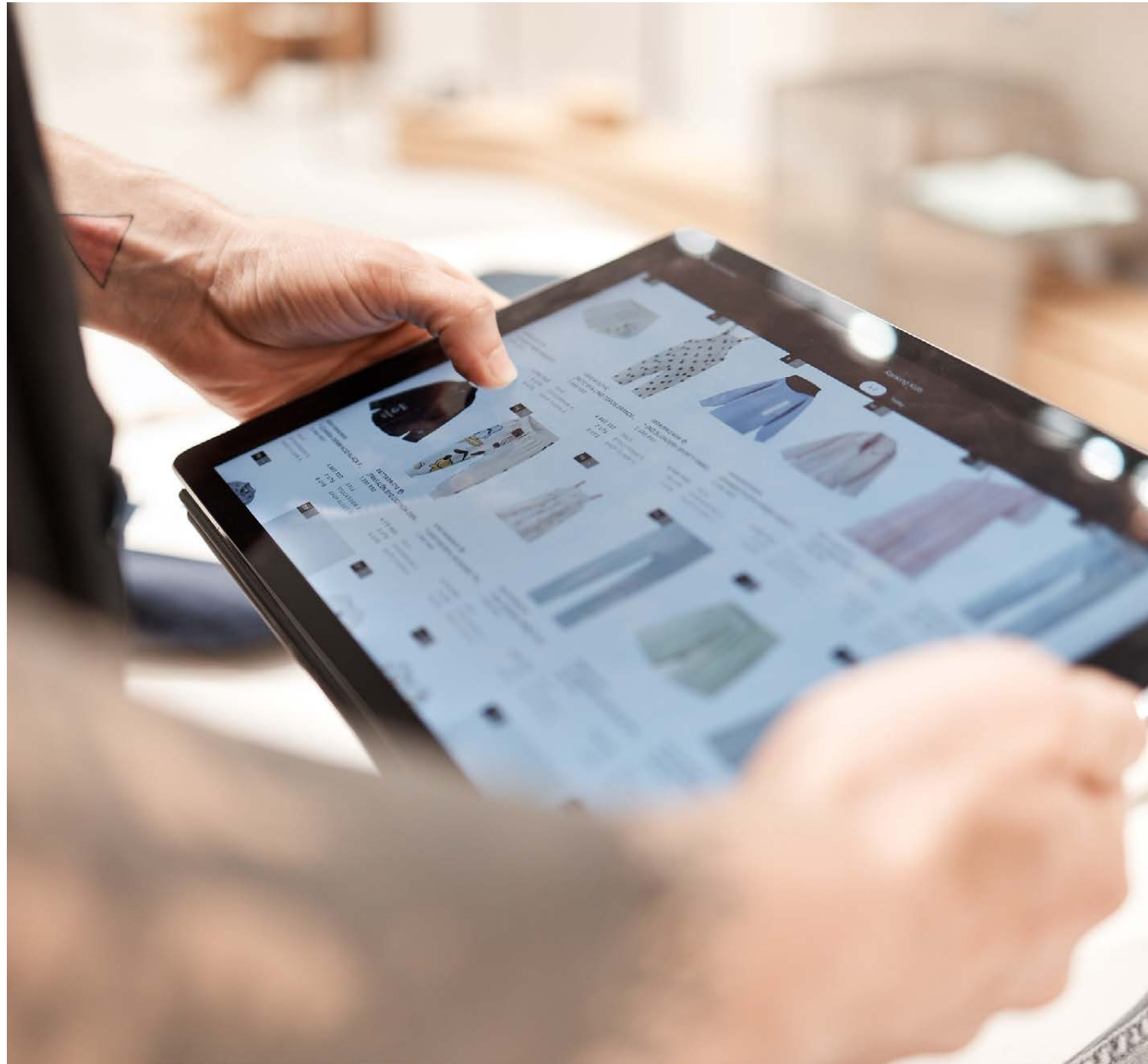
at Human Rights  
2021 Report

## 4.3 Due diligence








Inditex has made headway in the formal inclusion of due diligence as a core component of its human rights strategy. In this context, due diligence has been exercised in connection with human rights applied to the supply chain, creating a model for the identification and prioritisation of their potential impacts.

For this process we have collaborated with the organisation Shift, a leader in the field of human rights. The analysis, based on the lessons learnt from the previous 2014-2018 strategic plan, the feedback from the various stakeholders and the knowledge of our local teams, was presented in the form of heat maps. These maps identify the most significant potential impacts for human rights in each of the 12 production clusters.

Based on this result, a global heat map was created, in which seven Priority Impact Areas were identified. These refer to the most notable challenges in our supply chain linked to a range of human rights. These Priority Impact Areas are the basis for the development of the strategy and define and guide its development.



## MAIN HUMAN RIGHTS LINKED TO PRIORITY IMPACT AREAS

	 Worker participation	 Living wages	 Gender, diversity and inclusion	 Occupational health and safety	 Protection of migrants and refugees	 Social protection	 Protection of labour rights in the production of raw materials
Fair and favourable working conditions		✓	✓	✓			✓
Non-discrimination		✓	✓		✓		
Adequate standard of living		✓	✓			✓	✓
Education		✓	✓	✓	✓	✓	
Health		✓	✓	✓		✓	
Life		✓	✓	✓	✓		
Not being subject to degrading treatment			✓				
Not having to endure harassment			✓				
Equal pay			✓				
Freedom of movement			✓		✓		✓
Freedom and security of the person			✓				
Engagement in public life			✓				
Rights of employees with disabilities			✓				
Reproductive rights			✓				
Freedom of association	✓			✓	✓		✓
Healthy environment							✓
Ban on forced labour					✓		✓
Collective bargaining	✓	✓					
Collective rights of communities							✓
Social Protection						✓	
Freedom of thought, conscience and religion					✓		✓
Privacy					✓		✓
Protection against violence					✓		✓
Healthcare					✓		✓
Freedom of opinion and expression					✓		✓
Property		✓			✓		✓

This list is not exhaustive. The main human rights most directly related to each of the Priority Impact Areas have been identified.

For each of the seven Priority Impact Areas, we have defined a general goal we wish to achieve, specific targets to implement it and a roadmap, considering the impact on the most directly related human rights.

Accordingly, each Priority Impact Area is a work area led by experts in each of the topics, with a strategy and generic goal, as well as other more specific goals that enable us to define lines of action, activities, and projects on the ground. All the members of these working groups are experts in various fields, enabling us to cement our commitment to workers in the supply chain.

The activities and projects in each of the Priority Impact Areas are implemented by members of the social sustainability teams on the ground to give us a local vision, focusing on the realities of the countries where we operate and enabling us to address the challenges.

Below we outline some examples of how each of the Priority Impact Areas has been developed and how they are rolled out in the form of goals (a general goal and various specific goals that contribute to its achievement), activities designed to attain the goals and, ultimately, on projects on the ground (at supply chain

factories and/or communities) which we conduct with our internal staff or together with local and international organisations with the relevant expertise.

Moreover, it is worth noting that the Priority Impact Areas are interrelated, so that making progress in all the goals is key to achieving a positive sustainable impact.





At the end of 2021, our overall progress on the strategic plan is 85%. This has allowed us to benefit 1,366,420 workers through 46 projects at factories and/or in the community, involving 1,153 suppliers and factories in their implementation over the course of this year.

**1,366,420**

**WORKERS**

benefited

**1,153**

**SUPPLIERS AND  
FACTORIES**

involved

**46**

**PROJECTS**

at factories and/or in the community

**85%**

**GLOBAL PROGRESS**

in the strategic plan\*



\*Includes activities defined under the strategic plan that are complete or have been in progress since the strategy began. There is a diverse range of activities: including internal activities— internal teams capacity building, protocols for interaction with other areas of sustainability, and external activities—the establishment of partnerships, training, etc.



# 5. Commitment to workers

The Priority Impact Areas organise and develop our commitment to workers through seven key areas for their lives and well-being.

## OBJECTIVES OF THE PRIORITY IMPACT AREAS

 <b>Worker participation</b>	 <b>Living wages</b>	 <b>Gender, diversity and inclusion</b>	 <b>Occupational health and safety</b>	 <b>Protection of migrants and refugees</b>	 <b>Social protection</b>	 <b>Protection of labour rights in the production of raw materials</b>
<p>Improving social dialogue to achieve mature industrial relations and promote worker satisfaction</p> 	<p>Enabling the workers in the Inditex supply chain to receive a living wage</p> 	<p>Encouraging all the women in the supply chain to benefit from the best conditions and opportunities, while promoting gender equality in a cross-cutting manner, creating a diverse, safe and inclusive work environment</p> 	<p>Guaranteeing that workers in the supply chain are protected against risks to their occupational health, safety, and well-being</p> 	<p>Ensuring that the rights of refugees and migrants are upheld and that a decent workplace is provided in factories, supporting cohesion</p> 	<p>Enabling the well-being of workers in the supply chain</p> 	<p>Strengthening human and labour rights of the workers in the supply chain of raw materials through proactive actions in terms of the workplace, the community, and industry</p> 

The Priority Impact Areas organise and develop our commitment to workers through seven key areas for their well-being and lives.

Their breadth and transversality allow us to establish

links and connections between Priority Impact Areas, human rights and the Sustainable Development Goals, transforming this into ongoing collaboration and, at times, leading to the development of joint projects. While each of the seven Priority Impact

Areas are significant independently, pooling efforts between them leverages the impact.



# 5.1. Worker participation



Promoting the Global Framework Agreement with IndustriALL Global Union



Guaranteeing effective worker representation mechanisms



Raising awareness on social dialogue and worker participation



### ALLIANCES AND PARTNERSHIPS

- ACT (Action, Collaboration, Transformation)
- Better Work
- Ethical Trading Initiative
- IndustriALL Global Union
- International Labour Organization
- Smart Myanmar Textile & Garment



Improving social dialogue to achieve mature industrial relations and champion worker satisfaction



### RELATED HUMAN RIGHTS

- Freedom of association
- Collective bargaining

### RELATED SDGS



#### NUMBER OF PROJECTS \*

**5**

#### NUMBER OF ACTIVITIES \*\*

**19**

\* Projects on the ground (factories and community) carried out by local teams internally and/or with partners in 2021.  
 \*\* Includes activities defined under the strategic plan that are complete or in progress since the strategy began in 2019.

#### 2021 KEY INDICATORS



**182,867**  
BENEFITED WORKERS




**154**  
SUPPLIERS AND FACTORIES INVOLVED



BANGLADESH, CAMBODIA,  
CHINA, EGYPT, INDONESIA,  
MOROCCO, MYANMAR,  
TURKEY AND VIETNAM

## THE VOICE OF THE WORKER

 **Worker**  
Shima, sewing

 **Factory**  
Sabarang Fashion Ltd

 **Market**  
Bangladesh



Shima has taken part in the Social Dialogue Scale Up Programme we implement in the Worker Participation Priority Impact Area in collaboration with the Ethical Trading Initiative.



The goal of the project is to provide training and advice to foster effective social dialogue among workers.

*I took this training when I joined the Participation Committee as a secretary. I learnt how to go to superiors, how to solve workers' problems, when a worker comes to me with their problems... These all has been taught during the trainings. I am not that old Shima anymore.*

**SHIMA**

**We are aware of the impact of promoting mature industrial relations among the national constituents, but also at sector and factory level.**

### 5.1.1. Context

The rights to freedom of association and collective bargaining are fundamental labour rights enshrined in International Labour Conventions, as well as in the [ILO Declaration on Fundamental Principles and Rights at Work](#). These rights, coupled with the promotion of social dialogue, are intrinsic principles for promoting worker participation.

The representation mechanisms at the sector and factory level are structured as the basis for interaction between workers, their legitimate representatives and their employers. Accordingly, they are the most efficient mechanism for the continuous improvement of the working conditions. Social dialogue and the empowerment of workers, whose effect transcends the workplace, are mechanisms for the broader development of the communities and societies where the Group operates.

With the main goal of improving social dialogue, achieving mature industrial relations and promoting worker satisfaction, this Priority Impact Area is the main instrument introduced by Inditex to work with priority stakeholders like IndustriALL Global Union in this area.

In this regard, the promotion of social dialogue, as well as respect for the rights of freedom of association and collective bargaining, are at the core of the worker participation Priority Impact Area, since they are empowering aspects for the sustainable development and exercise of any other labour right.

Accordingly, the activity of this Priority Impact Area is focused on liaising with stakeholders who foster these principles with a view to the continuous improvement of the working conditions in the global

textile production chain and therefore have an impact on Inditex's supply chain.

The Global Framework Agreement with IndustriALL Global Union, our partnership with Better Work or our active involvement in the ACT initiative signal an opportunity to work at both the factory and sector level in these areas, which has made a difference in addressing the challenges caused by the worldwide covid-19 pandemic and its impact on the global textile supply chain. The continuous contact between our local teams and the affiliates of IndustriALL in the various markets where we operate, as well as through the social dialogue platforms created in the markets covered by ACT (by bringing on board employees, affiliates of IndustriALL and the brands adhered to it) were and continue to be crucial to be able to address, both individually and collectively, the challenges facing the sector in connection with promoting social dialogue and the respect for the rights of freedom of association and collective bargaining.

The aim of this Priority Impact Area is to take a multi-level and transversal approach, one therefore in direct concert with other Priority Impact Areas, and for this to be entirely noticeable across the different platforms, initiatives and projects in which we participate, along with the various stakeholders in the sector. Examples of these are the "International Accord for Health and Safety in the Textile and Garment Industry", the "COVID-19: Action in the Global Garment Industry" initiative in connection with social protection, and the "Social Dialogue Scale up" project concerning the empowerment of women in partnership with the ETI in Bangladesh.

At Inditex we believe that, in relation to the challenges faced by the sector, our hallmark is the way in which



we are able to promote worker participation within our strategy of social sustainability and therefore how we are able to promote social dialogue as a basis for understanding and progress in achieving the Sustainable Development Goals (SDGs) directly linked to them, such as decent work and economic growth, the reduction of inequalities and peace, justice and solid institutions.

**We foster the empowerment of workers through the free exercise of their labour rights, with a particular emphasis on the rights to freedom of association and collective bargaining.**



## 5.1.2. Impact on dimensions

 WORKPLACE	 WELL-BEING	 INDUSTRY
<p>We make every effort to make social dialogue a core mechanism to allow the continuous improvement of workers' labour conditions.</p> <p>Our work under the Global Framework Agreement with IndustriALL Global Union or our collaboration with the <i>Better Work</i> programme give us a direct channel for liaising with our main stakeholders: workers and their legitimate representatives at work centres.</p>	<p>We are mindful that mature industrial relations across the industry and in factories have a direct impact on the labour conditions of workers and their communities. Accordingly, we work with IndustriALL Global Union and its local affiliates to conduct awareness and training activities, and also with organisations such as ETI to focus on social dialogue and the empowerment of women.</p>	<p>The Global Framework Agreement with IndustriALL Global Union has had a leveraging effect in our sector. The creation of the Global Union Committee has aligned Inditex and IndustriALL in terms of the spaces and initiatives in which we can generate a meaningful impact, along with other global and local players.</p>

## 5.1.3. Strategic lines of action

### Promoting the Global Framework Agreement with IndustriALL Global Union

The [Global Framework Agreement](#) is the backbone of our worker participation strategy because, through collaboration with IndustriALL and its local affiliates, we have been able to create a space in which to strengthen industrial relations in our supply chain under its main features:

- / Respect for freedom of association and collective bargaining
- / Training programmes for suppliers, manufacturers and workers
- / The figure of union experts in production clusters
- / Establishment of a dynamic communication channel between IndustriALL Global Union and Inditex

- / Ongoing work in production clusters
- / Detailed knowledge of the supply chain on the part of IndustriALL Global Union
- / The creation of the Global Union Committee to strengthen local trade unions.

Renewal of the Global Framework Agreement in 2019, which resulted in the creation of a pioneer body: the Global Union Committee, which aims to further strengthen the participation of local affiliates of IndustriALL in the Agreement, who, along with the global trade union and Inditex, are tasked with defining the strategy for implementing the Agreement in the markets where our supply activities take place.

In 2021, the dialogue and consultation process with the Global Union Committee continued, and will contribute to local and global coordination.

In addition to the latest developments achieved under the most recent renewal of the Global Framework Agreement, it is worth underscoring the relationship of trust forged between the two organisations over the years. This is evidenced in several of the core aspects of the agreement, such as sharing with IndustriALL the information on our production chain, or, as a differentiating aspect, access for IndustriALL Global Union and its local affiliates to the work centres in our supply chain.

### Collaboration on the ground with IndustriALL and its local affiliates



In 2021, joint visits were held to five factories (2,016 workers) in the Inditex supply chain in Morocco, focusing on raising awareness on the Global Framework Agreement along with UMT and CDT, local affiliates of IndustriALL Global Union in the country. Moreover, our joint work in Turkey continued, with training activities in five factories (2,992 workers) focused on the continuous respect for freedom of association and collective bargaining rights and on promoting social dialogue in collaboration with the Union

Expert, a figure set up as part of the Global Framework Agreement.

In 2021, an innovative initiative also took place in Bangladesh, consisting of a seminar with the eight factories (12,359 workers) in our supply chain and attended by representatives of IndustriALL, Inditex and Jahangirnagar University, showing the transversal nature of the Framework Agreement.

The aim was to make progress on ILO C190 - Violence and Harassment Convention, and in particular on matters relating to gender violence and grievance mechanisms at the factory level, and the channel set up for this purpose as part of the Inditex Global Framework Agreement. The workshop addressed factory management, and was a necessary awareness exercise due to the high percentage of women working at factories in the country.



PARTICIPATION

## IN DETAIL | Collaboration on the ground with IndustriALL and its local affiliates in Morocco

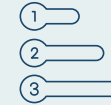
The implementation of our Global Framework Agreement with IndustriALL in Morocco, materialized in joint activities at five factories, enables us to strengthen social dialogue and worker participation



The Global Framework Agreement with IndustriALL Global Union is a structural element of industrial relations in Inditex's supply chain, fostering constructive social dialogue, and the continuous respect for the rights of freedom of association and collective bargaining at both industry and factory level, where industrial relations emerge and are developed. Reasonable access to workplaces is a hallmark of our GFA, contributing to collaboration on the ground between IndustriALL affiliates, employers and Inditex's local sustainability teams and acting as an element of transparency that helps foster social dialogue and mature industrial relations.



In 2021, a number of initiatives were carried out, including the one implemented with the regional office of IndustriALL Global Union in the MENA (Middle East and North Africa) region and its local affiliates in Morocco, UMT and CDT (the country's main trade unions), to establish a schedule of visits and shared training for management and workers' representatives from five factories located in the Tangier, Fez and Casablanca areas, thus facilitating the right of reasonable access to workplaces to Inditex supply chain and, therefore, strengthening social dialogue and worker participation.



Reasonable access to workplaces by IndustriALL affiliates helps generate a positive climate and basic collaboration for social dialogue and worker participation at all levels. These joint activities help to continue generating the necessary trust and respect among employers, workers and their legitimate representatives, especially at the factory level.

In this regard, the training provided by mutual agreement and in a shared forum regarding the GFA allows us continue strengthening the foundations for fostering mature industrial relations, which is the fundamental goal of our strategy.



The positive experience from action on the ground further highlights the value of the active communication channel with the two affiliates of IndustriALL in Morocco, UMT and CDT, to continue enhancing collaboration between employers, the affiliates of IndustriALL in that country and our local sustainability team, with the focus on identifying those areas for continuous improvement with respect to social dialogue and worker participation.



## Guaranteeing effective worker representation mechanisms

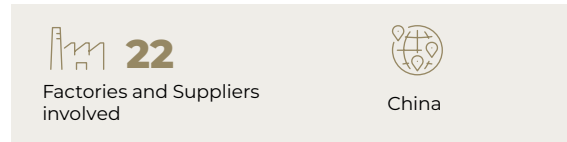
Workers in the Inditex supply chain, by means of their representation mechanisms, must be able to exercise social dialogue at both factory and sector level. For this purpose, we work with organisations that take a proactive approach to ensuring effective mechanisms for worker representation.

The various social dialogue platforms in the countries under the scope of ACT allowed the development of a provisional dispute resolution mechanism in Bangladesh, whereby, both the BGMEA (an employers' association) and IndustriALL Global Union affiliates in the country manage any kind of allegation with the support of ACT brands present in the country.

**Awareness and training are fundamental tools for empowering workers**



## Training to suppliers in dispute resolution mechanisms



This principle of collaboration has borne fruit in Myanmar, for example in the implementation of the Fast-Track Dispute Resolution Mechanism (DRM). The aim of this mechanism is for workers or their representatives at factories supplying brands that belong to ACT to be able to contact the Industrial Workers Federation of Myanmar (IWFM) to present their concerns in connection with the upholding of their rights. This collaboration has been fruitful in setting up channels through which workers can access grievance mechanisms, complementing the existing channel under our Global Framework Agreement with IndustriALL Global Union. 22 suppliers in China were trained about the use of the mechanism.

## Better Work



Since 2007, Inditex has been closely collaborating with this initiative promoted by the International Labour Organization and the International Finance Corporation (IFC), a member of the World Bank Group. The Better Work initiative works at both factory and industry level with key stakeholders at different levels (international brands, governments, employers and workers) to improve working conditions and respect for labour rights under the premise of enhancing the competitiveness of companies in the sector.

One of the most significant aspects of the project are the bipartite committees in which workers' representatives and factory management address plans for improvement so as to enhance communication and cooperation in the workplace and thereby continuously foster social dialogue in factories to guarantee effective worker representation mechanisms.

The Better Work initiative was a pioneer in replacing multiple audits and corrective plans at each of the brands with a single model for assessment and improvement, based on social dialogue and improving management systems.

In 2021, Inditex's collaboration with Better Work involved 110 factories in the supply chain and reached 156,660 workers.

## ETI Social Dialogue Scale Up



This project was launched in Bangladesh under the umbrella of Ethical Trading Initiative (ETI) social dialogue projects. It focuses specifically on empowering women workers in the Inditex supply chain through greater knowledge and awareness about dialogue, developing the capacity of the factories and the workers to tackle gender violence, and raising gender awareness.

In 2020 and 2021, three factories in the Bangladesh supply chain, employing 6,730 workers, took part in this project. As part of the project, in addition to various training and awareness sessions, factories were supported in the creation of an internal committee to prevent sexual harassment as a tool for the protection, dialogue and empowerment of women workers.

The aim of this project is to help secure a workplace that is sensitive to gender issues. The standards

of conduct and behaviour must guarantee that all workers are treated with dignity and respect, which in turn leads to healthy labour relations that, furthermore, boost productivity and contribute to sustainable growth. In this regard, the ETI has

developed training materials based on the feedback received by various key stakeholders, such as factory management, brand representatives and agents and experts in gender matters.

## ACTIVITIES AND OUTCOMES OF THE PROJECT SOCIAL DIALOGUE SCALE UP



### Assessment

Before and after to understand the impact achieved



### Training session

For management, supervisors and workers' representatives



### Consultancy service

Guide for training and activation of committees



### Network creation

To share the knowledge acquired



### Awareness

Campaigns in factories aimed at workers

The results we expect to achieve through the training sessions held and the material developed are:

- ✓ Better knowledge of what sexual harassment is and the grievance mechanisms in place
- ✓ Better knowledge on the part of management about the concept and importance of a gender-aware workplace
- ✓ Ability of representatives of management and workers chosen at the factories to act as specialists in the continuous support of gender awareness in the workplace



**Khadiza,**  
Sabarang Fashions Ltd

*I am a member of the Participation Committee and the training has taught me a lot about the responsibilities involved. For example, if my colleagues have a problem, I know about the legal and company procedures to address it. I have also learned that there must be equality between boys and girls and that women are currently achieving progress on that front.*

*The topic of sexual harassment is dealt with in this phase of the project. It is sensitive, but we are optimistic that it will be a success.*



**Rabeya Akter,**  
Sabarang Fashions Ltd

*I have been working at the factory for 8 years. After taking part in the project training sessions I have developed the tools I need for dialogue both at work and with my family. Moreover, as a single mother I have become a role model in my community.*

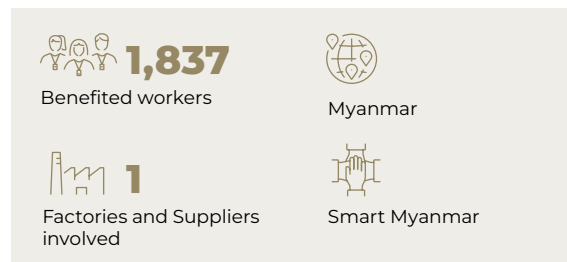


## Raising awareness on social dialogue and worker participation

We believe that raising awareness on social dialogue, as well as worker participation, is key to their empowerment and that of their representatives. In this regard, we focused our efforts on improving the capacity of both employers and workers to execute social dialogue and raise awareness of labour rights. The Global Framework Agreement is an instrument that enables Inditex and IndustriALL to coordinate with each other to implement awareness and training actions that make this collaboration eminently practical.

This was materialised in 2021 through a number of awareness and training activities carried out in countries such as Turkey or Morocco, as well as involvement in internal activities with the local affiliates of IndustriALL.

### Communication and dialogue at the workplace



Our collaboration with the non-profit organisation Smart Myanmar continued in 2021, this time at a factory.

The project (currently suspended) was developed on the basis of an analysis of the factory's status



with respect to freedom of association, dialogue, communication and other factors in connection with labour conditions. Stemming from the analysis, a series of corrective plans were proposed and implemented, and follow-up visits and training sessions were held to support the factory in its improvement process.

## MYANMAR

In the last few years, this market's garment sector has experienced exceptional development in industrial relations. This progress has been mainly possible due to the ACT (Action, Collaboration, Transformation) initiative, providing a space for social dialogue between employees and the country's IndustriALL Global Union affiliate, Industrial Workers' Federation of Myanmar (IWFM), backed by the ACT member brands in the country, including Inditex.

The securing of the mandatory Myanmar Freedom of Association (FOA) Guideline in November 2019, result of negotiations between employers and IWFM with ILO facilitation and technical support, signalled an agreement hitherto unprecedented in the industry in that country.

The events in Myanmar in February 2020 further strengthened ACT's commitment to continue building on the progress achieved. In March 2021, this resulted in an agreement concerning the Fast Track Dispute Resolution Mechanism (DRM), negotiated by the brands belonging to ACT, IndustriALL Global Union and the local affiliate of IndustriALL, IWFM, devised to address and adequately resolve any potential dispute concerning workers' rights, including freedom of association, as effectively as possible.

Other significant milestones aimed at strengthening industrial relations in Myanmar were the agreements by members of ACT with a presence in the country

in connection with the Framework on Responsible Pausing of Orders and the Framework on Workers' Safety and Terminations in Myanmar, devised as a responsible approach to minimise the impact amid the instability affecting production.

Despite ACT's decision to halt its Myanmar operations in December 2021 (as a result of the withdrawal of the local trade union affiliated with IndustriALL, IWFM, from ACT operations), the state of industrial relations and the progress made in the last few years is a good example of how social dialogue drives substantial changes in the progress of continued protection of workers' rights.

As a member of the Ethical Trading Initiative, Inditex supports the independent and comprehensive assessment commissioned by this organisation concerning the impacts on human rights in the garment sector in Myanmar. It will be based on the application of the UN Guiding Principles on Business and Human Rights, and the OECD Due Diligence Guidance, once IndustriALL called for the implementation of economic sanctions in the country.

### 5.1.4 2022 outlook

On the basis of the Worker Participation Priority Impact Area, we have established various priorities for 2022. On the one hand, our active involvement in the ACT initiative along with IndustriALL and another 18 international brands, with the support of social actors to promote social dialogue in the sector with a view to attaining dispute resolution mechanisms in countries under the scope of ACT. Thus, we continue to strengthen the impact of the industry dimension of the strategy, advocating sustainable changes in both the sector and the communities where we operate, which ramp up worker empowerment.

In addition, the continuous training of Inditex's suppliers remains an activity in which our Global Framework Agreement plays a pivotal role, as do the efforts of our local sustainability teams and the various stakeholders in their respective markets. Training and awareness initiatives concerning social dialogue at factories and suppliers is an essential tool not only to achieve the goals of this Priority Impact Area, but to enable and, in general, promote the improvement of working conditions and development of workers through their own voice.


## 5.2. Living wages



\* Projects on the ground (factories and community) conducted by local teams internally and/or with partners.  
 \*\* Includes activities defined under the strategic plan that are complete or in progress since the strategy began in 2019.



## THE VOICE OF THE WORKER

 **Worker**  
Son Syank, Quality Supervisor

 **Factory**  
Golden River Garment Washing Co., Ltd.

 **Market**  
Cambodia



Son Syank took part in the HERfinance financial inclusion project we implement in the Living Wages Priority Impact Area in collaboration with Business for Social Responsibility (BSR).



We promote financial inclusion and digital payments at the factories in our supply chain in order to have a positive impact on workers' wages.

*I love my job. During the training I learned about bank services, transfers and digital wage payments. Before taking part in the HERfinance programme, I liked receiving my wage in cash. Now I have the information I need and my mindset about digital wages has changed. I hope all the workers can take part in the training and receive the information.*

**SON SYNAK**

**Our strategy in living wages is based on the premise of understanding and responding to the needs of the supply chain workers, their families and the communities in which they live so as to promote decent working conditions and sustainable production environments.**

### 5.2.1. Context

Payment of a living wage is one of the components of working conditions with a direct and tangible impact on the lives of workers and their families.

The United Nations Universal Declaration of Human Rights highlights (article 23.3) that “Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection”. Likewise, article 25.1 provides that “Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security”. At Inditex we are firmly committed to working towards this goal. We recognise that living wages are crucial for comprehensive socio-economic growth and to achieve dignified living conditions for the workers in our supply chain (and the community as a whole), and as a leading fashion brand we play an important role in working collectively in this area with key stakeholders.

Furthermore, the context of each of the countries in which we operate affords us the opportunity to understand workers' needs and tailor projects and strategies to improving their specific and local conditions. Added to this is the health crisis and the impact it has had on workers in the supply chain, evidencing the need to work towards sustainable solutions at industry level and progress towards the goal of achieving living wages.



**At Inditex, we subscribe the definition of living wages given by ACT, namely “the minimum income necessary for a worker to meet the basic needs of himself/herself and his/her family, including some discretionary income. This should be earned during legal working hour limits (i.e. without overtime).”**

living wage or what it includes. From our standpoint, time has proven that one of the most effective and sustainable ways of working to achieve living wages is by promoting collective bargaining between the workers’ representatives and the employers’ organisations. With that in mind, it is worth noting our ongoing commitment to ACT as one of the pivotal aspects of this work area, together with the work performed as part of the Global Framework Agreement with IndustriALL Global Union.

To make headway and tackle the common challenges it is extremely important to share lessons learned, as well as to obtain information and support from others working towards this goal. Accordingly, we are also members of a working group on living wages in the United Nations Global Compact Action Platform on Decent Work, which places particular emphasis on living wages. Through this platform we share best practices with other companies in various sectors.

While collaboration with stakeholders helps foster sustainable solutions in the sphere of promoting living wages, our commitment at the factory level is conducive to achieving this strategy. We continuously interact with our suppliers, evaluating the challenges and working to improve various aspects, including the management systems linked to wages and hours worked. Likewise, we work and collaborate regularly with organisations specialising in wage digitalisation to establish efficient and transparent administrative systems to support the payment of living wages.

The composition of the supply chain, with thousands of factories working on a non-exclusive (and often a minority) basis for Inditex, evidences the need for a collective and coordinated approach to the strategy for achieving living wages for all workers, rather than it being an individual goal of the Company. In our view this is the only way to obtain sustainable solutions.

Inditex is committed to developing and supporting

the necessary plans and actions to ensure that the wages received by workers in our supply chain meet their basic needs and those of their families. In this regard, we have adopted a multidimensional approach to work with our stakeholders and link the various internal and external initiatives that might facilitate this process.

One of the challenges is the existence of various definitions or methodologies on how to calculate a



For example, we generate a positive impact on workers via financial inclusion projects that include access to a range of financial services, budget and savings plans, and being able to effectively plan finances.

Similarly, we are committed to and support our suppliers as they improve the production management at factories, and implement responsible purchasing practices, also directly linked to workers' wages and satisfaction.

Combining all these aspects enables us to shape our strategy on this field, and to progress steadily towards our commitment of achieving living wages for all the workers in our supply chain.



## 5.2.2. Impact on dimensions

 WORKPLACE	 WELL-BEING	 INDUSTRY
<p>It is important to strengthen the management systems in place at factories, empowering workers and giving them the relevant tools to uphold their rights, including the right to living wages. Our Global Framework Agreement with IndustriALL Global Union is still one of the key tools for work in this dimension. Moreover, we endeavour to implement improved production methods, better wage management systems and wage digitalisation at workplaces.</p>	<p>Through partnerships with organisations such as Better than Cash Alliance or BSR, we work to achieve the financial empowerment and socio-economic development of the communities in which the workers of our supply chain live in order to secure financial inclusion.</p>	<p>To achieve living wages in the supply chain, all key industry stakeholders must work together. In this regard, our participation in the ACT initiative is key. The focus of this initiative is to transform the sector and achieve living wages in the textile and sewing supply chain, as a result of collective bargaining, underpinned by freedom of association and responsible purchasing practices.</p>

## 5.2.3. Strategic lines of action

### Promoting collective bargaining

For years, we have been working to facilitate living wages through collective bargaining, guided by the principles established in Inditex's [Code of Conduct for Manufacturers and Suppliers](#). The Code establishes that all factory workers must receive a living wage, sufficient to at least meet their basic needs and those of their family.

Respect for the rights of collective bargaining and freedom of association are solid foundations for social dialogue at industry level to take place between employers and workers through their respective and

legitimate representatives. The aim of this process is to secure a practical outcome in the form of collective bargaining agreements at industry level which, along with improvements elsewhere, constitute Inditex's paradigm with regard to achieving living wages.

The Global Framework Agreement with IndustriALL Global Union is one of the most effective instruments for implementing our living wages strategy, leading to close collaboration with the Worker Participation area and therefore the strategy's promotion throughout the Inditex supply chain.


## COLLABORATION BETWEEN THE PRIORITY IMPACT AREAS

To develop all the projects and activities within this line of action, we work closely with the Worker Participation Priority Impact Area since worker empowerment and social dialogue are crucial to ensuring that factories and suppliers meet the necessary criteria to establish free and informed collective bargaining and thereby to be able to reach sector-specific agreements. Furthermore, there is collaboration with the Gender, Diversity and Inclusion Priority Impact Area in connection with financial empowerment.


In this regard, we carry out a number of activities to promote and encourage collective bargaining, as well as to train workers and managers, providing them with the necessary tools to defend their rights, including the right to living wages. For this purpose, our function is to provide the tools conducive to developing social dialogue.

Geographic Area	Factories covered by a collective bargaining agreement
Africa	32
Americas	22
Asia	118
Europe outside the EU	44
European Union	1,620

### Collaboration with ACT



Bangladesh, Cambodia, Myanmar and Turkey



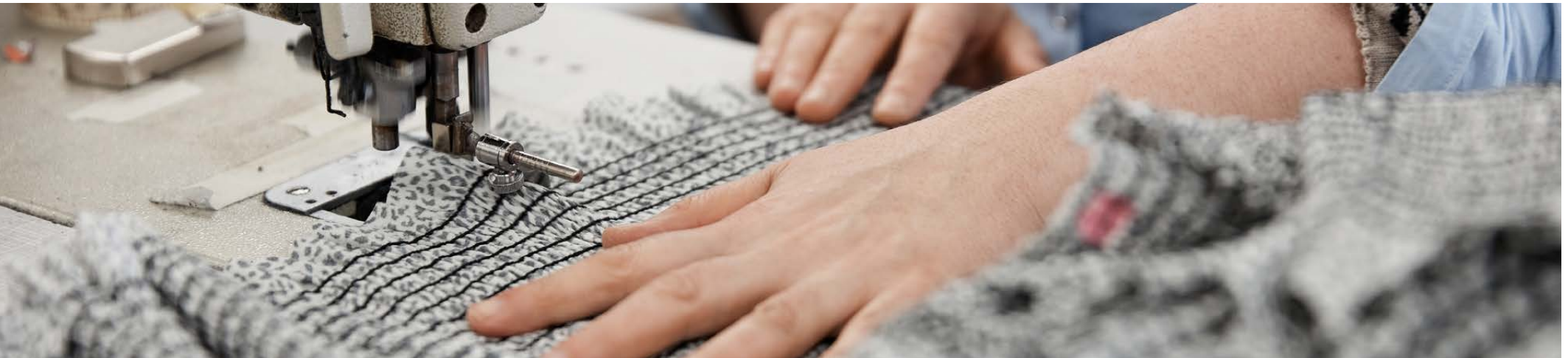
ACT

ACT is a ground-breaking agreement between global brands and trade unions to transform the garment, textile and footwear industry and achieve living wages for workers through collective bargaining at industry level linked to responsible purchasing practices. This initiative is the first global commitment on living wages in the sector that provides a framework through which all relevant players, including brands and retailers, trade unions,



manufacturers and governments can exercise their responsibility and role in achieving living wages. Through ACT, we work with the main stakeholders in an ecosystem that fosters negotiation between national representatives of manufacturers and trade unions, to secure collective bargaining agreements at industry level. This holistic approach, based on collective bargaining at industry level, guarantees

that workers in a country can negotiate their wages in the same conditions, regardless of which factory they work at or which brands they produce garments for. Alongside all the other members, in 2021 we have continued to work within the framework of ACT in countries like Myanmar, Bangladesh, Turkey and Cambodia.



## Responsible purchasing practices

We are mindful of the impact of purchasing practices on the labour conditions of supply chain workers. Purchasing practices are directly linked to workers' wages and aspects such as planning, development, price negotiation, payment terms and delivery times must be taken into account from the standpoint of responsible purchasing practices.

In this sphere, our collaboration with the ACT initiative is also fundamental. In March 2015 Inditex signed a Memorandum of Understanding (MoU) with IndustriALL, which guarantees our commitment to responsible purchasing practices that facilitate the payment of living wages. In 2018, the members of ACT agreed to the following five commitments in relation to purchasing practices:

## COMMITMENTS TO RESPONSIBLE PURCHASING PRACTICES





**Conducting the surveys have been a vital way to help the ACT member brands to understand where we have improved and where there is still room for improvement. They have also strengthened our knowledge of our own processes and those of the industry. The results only underpin our commitment to responsible purchasing practices, enabling us to hone our efforts to guarantee full implementation of best practices.**

JAVIER LOSADA, CHIEF SUSTAINABILITY OFFICER, INDITEX

# LIABILITY

We work internally on each of the five commitments. Aspects such as preparing a training plan for commercial teams and suppliers with regard to responsible purchasing practices, transparency in negotiations or continuous communication with suppliers so as to properly anticipate production capacities are key to support the payment of living wages to supply chain workers.

In 2021, 228 buyers and 28 commercial managers of the various Inditex brands received training in responsible purchasing practices. Specifically, this training focused on the five commitments developed with ACT, and potential improvements in responsible purchasing practices were designed.

To verify the progress of the brands in implementing these five commitments, in September 2019 ACT adopted a joint due diligence framework called the Accountability & Monitoring Framework for member brands to ensure that their purchasing practices facilitate the payment of a living wage, as established in the ACT commitment. It is the first time in the history of the textile and footwear sector that international brands collectively agree to support transparency through a global trade union federation to foster responsible purchasing practices. This framework was launched in 2021 alongside the Purchasing Practices Self Assessment (PPSA) for brands and the Purchasing Practices Assessment (PPA) for suppliers, which in principle will take place every two years.

The survey involves the 19 ACT member brands and 1,831 responses were received from buyers and 2,268 from suppliers in the industry, of which 207 are Inditex suppliers.

The results of the surveys help us to advance in our strategy to fulfil the five commitments and thus be able to evaluate our supplier-related practices during the purchasing process. Moreover, they enable us to analyse and devise individual, departmental and corporate action plans to roll out a training programme with common guidelines on ACT's commitments and their relationship with purchasing practices.

In addition, in 2021 we supported the ILO's Better Work programme in the development of its purchasing practices learning platform which

will be accessible for all brands adhered to the programme. This programme will analyse the relationships between buyers and suppliers and the direct consequences of each decision in the purchasing process. The main aim is to present a more collaborative and transparent way of working in the industry, which translates into an improvement of the well-being and wages of the workers in our supply chain.

Finally, as a continuation of our training strategy in connection with the second ACT commitment, we are developing content and methodologies concerning responsible purchasing practices to work on with our commercial teams and suppliers in 2022.

### Enhancing the production organisation systems and methods

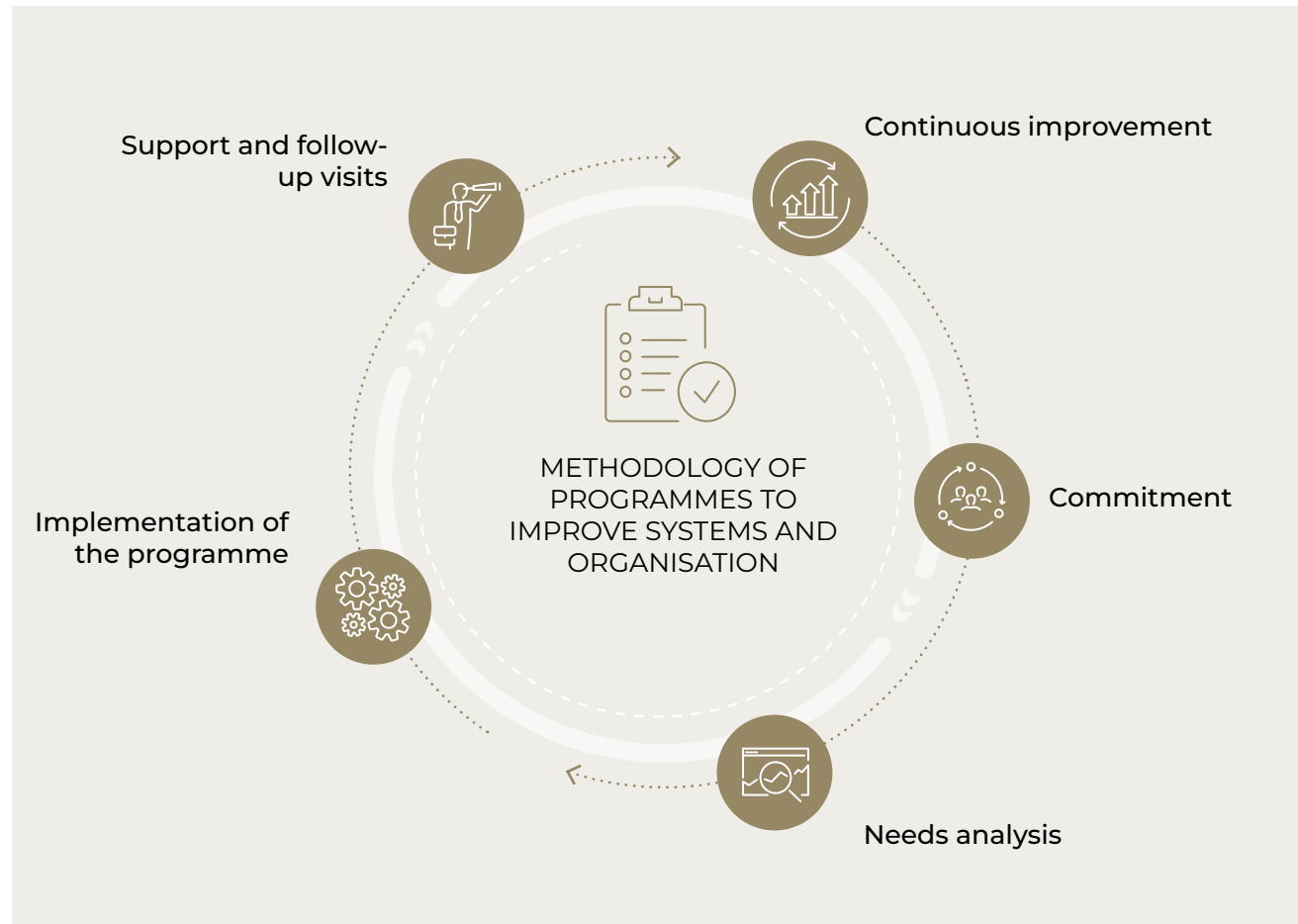
The ongoing commitment to workers in factories in our supply chain in this area has afforded us the learning to understand the direct link between the payment of living wages and the production systems and methods and, more importantly, how workplaces are organised.

Hence, as part of this line of action, we develop and carry out numerous projects with experts in the field and with our suppliers, facilitating the implementation of appropriate production methods and working systems, with the aim of improving the general working conditions—including wages—and satisfaction of their workers.

Projects are implemented both internally and in collaboration with expert organisations to help factories understand and improve in areas such as

production, balancing production lines, managing stock and production in progress, the effective involvement of workers at production plants or tidiness and cleanliness in the workplace.

We have seen that these interventions directly influence parameters such as the duration of working hours, wages, ergonomics and even the satisfaction and motivation of the workers themselves.



## LEAN Project

 <b>9,576</b> Benefited workers	 China, Bangladesh, Portugal, India
 <b>14</b> Factories and Suppliers involved	 Universidade do Minho (Portugal)

This project, implemented internally since 2015, is based on the implementation of LEAN methodology for production management. It is built using the tools of this methodology, which we have adapted and oriented towards our goal of strengthening the decent working conditions of workers in our supply chain. We have also developed an internal system of indicators and monitoring that allows us to assess the impact achieved, both in the production management systems and the workers' labour conditions.

**In 2021 we implemented the LEAN project in the following countries:**





## SCORE programme

100 Benefited workers

China

1 Factories and Suppliers involved

ILO

We have been taking part in the SCORE programme of the International Labour Organization since 2014. This programme consists of five modules that aim to improve the management systems of small and medium-sized enterprises in order to enhance working conditions and promote fundamental labour rights:

- / Cooperation in the workplace
- / Adequate quality management
- / Clean production
- / Human Resources management
- / Occupational health and safety

In 2021 we managed to benefit 100 workers at a factory in China through the second module. In 2022 we expect to continue to make progress in the programme both in China and in other markets.



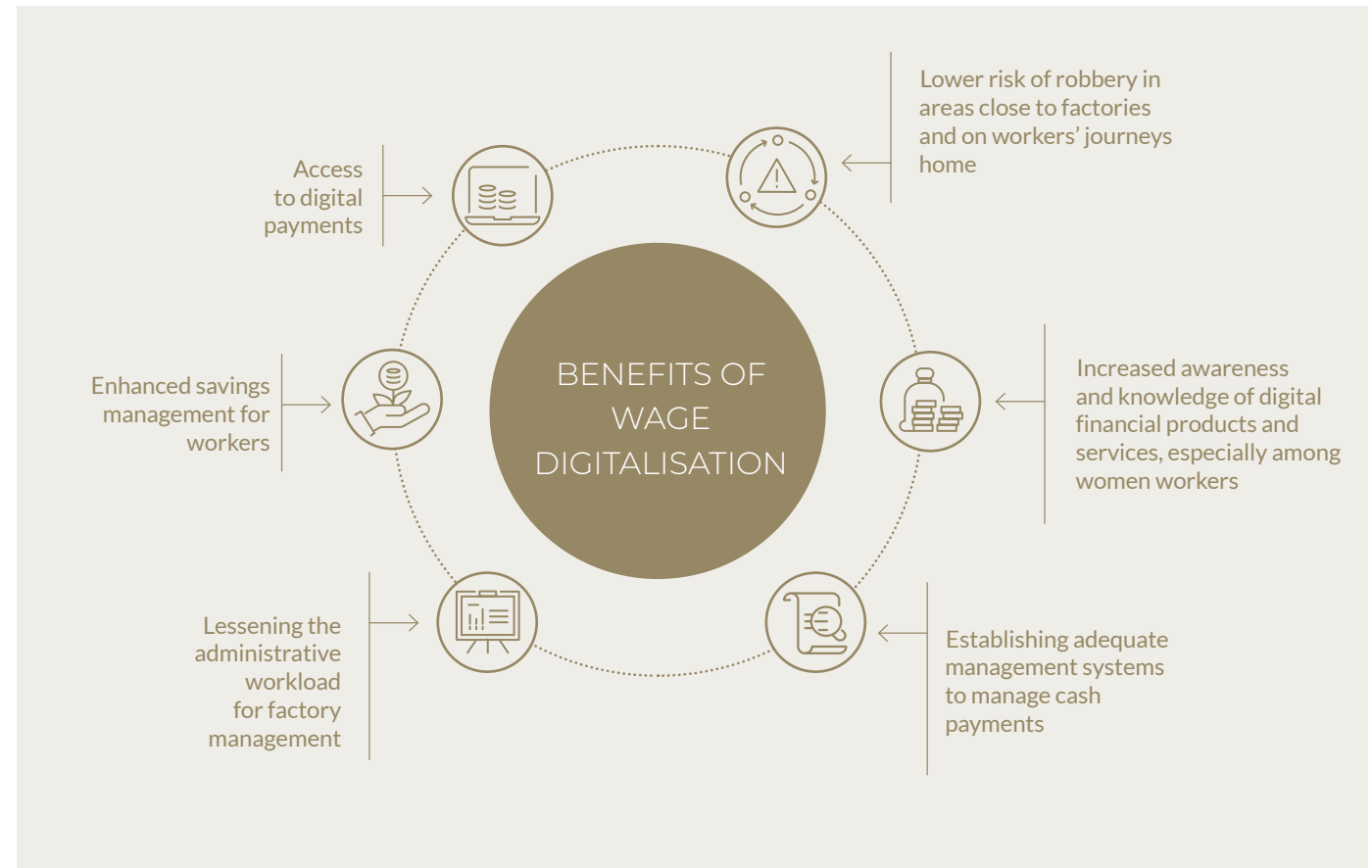
## Improving management systems and wage digitalisation

Management systems at factories play a crucial role and directly impact on fundamental aspects of workers' wages and benefits. In this regard, we have been working to analyse the challenges and improve management systems for wages and working hours while, at the same, incentivising suppliers to advance in digitalisation, with a view to promoting financial inclusion.

230 million workers worldwide receive their wages in cash, including workers in global supply chains. This leaves workers outside the channels of the formal economy and it also presents risks for employers, who face robbery and fraud in the transportation and distribution of wages paid in cash.

From the outset of the strategy, it has been our view that wage digitalisation and financial inclusion are equally important to build a solid platform and advance towards achieving living wages.

Thus, the information provided to us in the evaluations at the factories in our supply chain is vital, since it allows us to analyse a number of factors linked to wages and hours worked, including, among others, remuneration received and payment methods used. This information helps us to conduct an in-depth analysis and identify what interventions are needed. Moreover, the health crisis has yielded important lessons with regard to prioritising and advancing digitalisation, not only to guarantee that workers



receive their wages on time, but also to connect them remotely with other necessary services.

economy. We also collaborate with the organisation BSR in our local strategy for wage digitalisation.

Lastly, it is worth noting that we are members of the Better than Cash Alliance, an alliance of governments, companies and different international organisations, geared towards the global promotion of the transition towards a digital

## Wage digitalisation capacity building



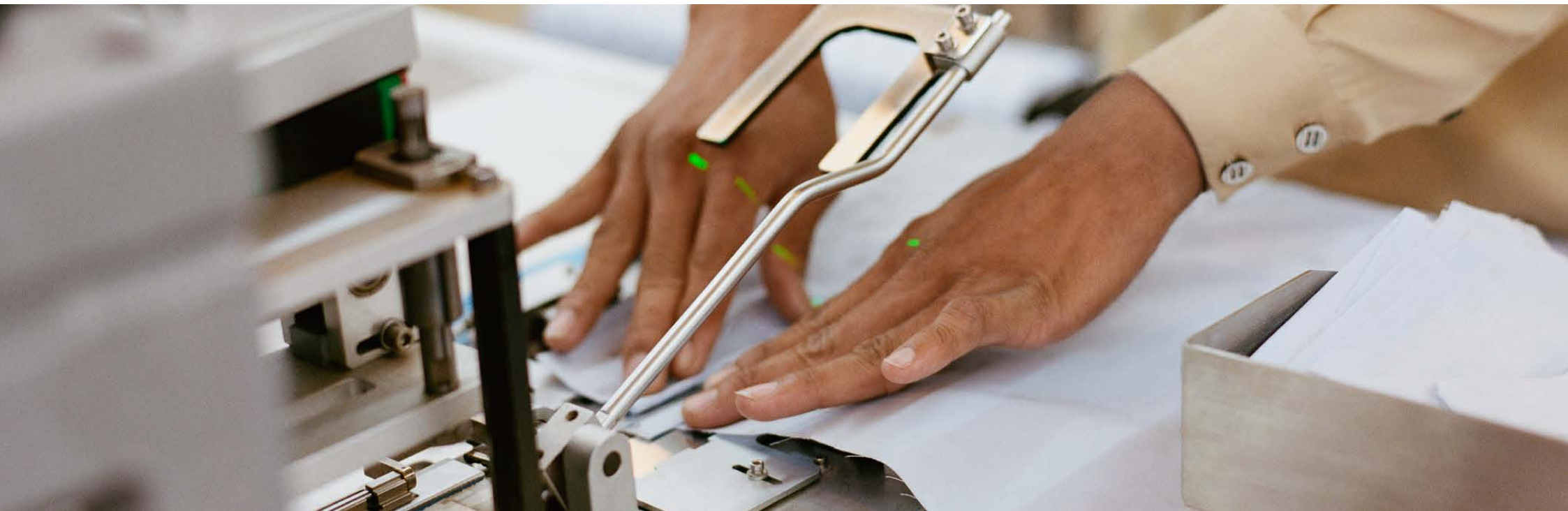
As a brand belonging to the Better than Cash Alliance (BTCA), aimed at the global promotion of the transition towards a digital economy, we have developed a training tool to raise awareness regarding the benefits of digitalisation for both workers and suppliers, and thus to encourage the latter to digitalise the payment systems at their factories.

So far, 13 members of our sustainability teams have been trained by an expert associated with BTCA to effectively use the training materials. We have started to provide this training in 34 of our factories and suppliers in countries such as Bangladesh, Vietnam and India, benefiting 32,715 workers.

## HERfinance - digital payments



The digitalisation of cash wage payments helps make global supply chains more efficient and transparent. The factories taking part in the HERfinance project in Bangladesh discovered that the administrative time used in managing payrolls was more than halved, and that the waiting time for





workers on pay day was reduced by more than three quarters thanks to wage digitalisation.

Developing workers' financial skills, especially those of women, is a fundamental aspect of wage digitalisation, aimed at generating the knowledge and confidence they need to accept, use and, ultimately, benefit from the new ways of receiving their payrolls. Through the HERfinance project, factory workers receive training that includes technical aspects regarding how to use bank accounts, as well as the associated financial services, lessons on financial planning, budgeting and saving, and finance and family, so as to support them as they manage and control their money, as well as building their independence and resilience in the process.

In 2021, we implemented the project in 11 factories and suppliers in Bangladesh, Cambodia, India and Vietnam, helping 23,829 workers to increase their access, use and benefit from digital wages, and to boost their financial health.

**Bangladesh**

In Bangladesh, 14,939 workers in four factories benefited, and thanks to the project half of the women participating have opened an account accessible via smartphone, one in five workers now save regularly and one in five women have started sharing in the decisions of the rest of the family regarding household spending and savings.

More specifically, at one of the factories where we rolled out this project, we found that:

/ 96% of workers prefer having digitalised bank accounts



/ 60% of women and 96% of men send money via their mobile bank account now that the project is in place

/ 86% of workers (especially women) have started to save money to be prepared for any emergency

**India**

At the same time, in India we have implemented the project at four factories, reaching 7,027 workers. The results indicate that, following their participation, one in three women began performing financial transactions on their own behalf, one in three workers started saving regularly, and two in five workers reported an increase in their confidence when it comes to covering expected and unexpected costs.

**Cambodia**

To facilitate digitalisation of suppliers in Cambodia, we have conducted individual sessions in two factories, benefiting 562 workers, in collaboration with the organisation BSR. These meetings were aimed at establishing a dialogue with workers, understanding their challenges and those of the suppliers on the ground, and supporting them with a progressive and suitable mechanism for digitalisation.

**Vietnam**

In Vietnam, the project commenced at a factory with 1,301 workers, although the activities had to be suspended due to the impact of the health crisis in the country.



## IN DETAIL | Digital payments in India

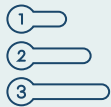
The Vamani Overseas Pvt. Ltd factory took part in the HERfinance – digital payments project in India alongside the organisation BSR



Chandani, aged 27 years, from Bihar (India), married and with three children, has worked for three years at the Vanami factory, which was among those chosen to take part in the digital payments programme.



Chandani received her wages in a bank account, but at the same time she felt intimidated when using an ATM. After taking part in the project, she developed the necessary confidence to start using ATMs. She also installed the financial services app in her phone and now she can perform all her transactions online. This has enabled her to save and transfer money easily.



Before receiving the training, Chandani thought she could only save large amounts, but when she understood that even small amounts could be vital for survival, she started controlling her spending habits and putting away a percentage of her monthly wage. She also plans to open savings accounts for two of her daughters.



Chandani has also shared her knowledge with her husband and now they work together to manage their spendings. This helps them to be more transparent about their income and improves the trust between them. She has also shared the lessons learned with her colleagues at work, members of her family and her neighbours in the hope of impacting as many people around her as possible.



### Assessment and analysis of digital wages



Through the collaboration with the organisation BSR, it is worth noting the involvement of three suppliers (benefiting 27,685 workers) in Pakistan, who have taken part in an assessment aimed at measuring the economic needs of workers in the sector, especially women, and the state of wage digitalisation in the country. The aim of the survey is to better understand the potential for saving and to determine how the transition to electronic payment of wages may benefit companies and, at the same time, improve the financial inclusion of workers, especially women.



### 5.2.4. 2022 outlook

Work in the living wages Priority Impact Area is performed as a continuous process of participation and alignment both internally, for example with respect to responsible purchasing practices, and with the various players and stakeholders in the industry, such as other brands, trade unions or governments.

Most of the activities in the current strategy are taking place according to schedule and in 2022 we

are primarily going to further pursue our analysis of wage payments at each of the factories, so as to pinpoint patterns and trends and anticipate potential challenges or non-compliances regarding wages, especially considering the effect of the pandemic on job and wages stability.

Moreover, we continue to raise awareness and implement responsible purchasing practices, as well as strengthening our commitments and dialogue in the industry through the ACT initiative.

## 5.3. Gender, diversity and inclusion



**Health:** facilitating healthcare services, chiefly in maternity and reproductive health



**Protection:** promoting zero tolerance policies and practices for the prevention and management of workplace harassment



**Empowerment:** involving female workers in programmes related to finance, leadership, and empowerment



### ALLIANCES AND PARTNERSHIPS

- AÇEV
- Associação Plano i / Centro Gis
- Business for Social Responsibility (BSR)
- Ethical Trading Initiative
- Medicus Mundi
- International Labour Organization
- St John's Medical College
- SAVE Foundation
- The International Center for Research on Women (ICRW)
- UN Foundation



**Promoting that all the women in the supply chain benefit from the best conditions and same opportunities, while promoting gender equality in a cross-cutting manner, and creating a diverse, safe and inclusive work environment**



### RELATED HUMAN RIGHTS

- Fair and favourable working conditions
- Rights of employees with disabilities
- Reproductive rights
- Education
- Equal pay
- Freedom of movement
- Freedom and security of the person
- Adequate standard of living
- Non-discrimination
- Not being subject to degrading treatment
- Not having to endure harassment
- Engagement in public life
- Health
- Life

### RELATED SDGS



**NUMBER OF PROJECTS \***

**10**

**NUMBER OF ACTIVITIES \*\***

**9**

\* Projects on the ground (factories and community) carried out by local teams internally and/or with partners in 2021.

\*\* Includes activities defined under the strategic plan that are complete or in progress since the strategy began in 2019.

### 2021 KEY INDICATORS



**235,041**  
BENEFITED WORKERS



**109**  
SUPPLIERS AND FACTORIES  
INVOLVED



**BANGLADESH, CHINA, INDIA,  
MOROCCO, PAKISTAN, PORTUGAL,  
TURKEY AND VIETNAM**

## THE VOICE OF THE WORKER



**Worker**  
Amina Yahyaoui. Sewing



**Factory**  
Nova Moda 2



**Market**  
Morocco



Amina took part in the project we have implemented for the protection of women within the framework of the Gender, diversity and inclusion Priority Impact Area in collaboration with Medicus Mundi.



We collaborate with Medicus Mundi in the areas of women's health and protection, developing projects with the aim of improving the social situation and health of workers in the supply chain.

*"I learned how we should communicate without confronting others, and how we should advise the victims of violence. I developed self-confidence, the capacity to speak up about my problems and those of my colleagues in an impartial way. I also learned that we must not stigmatise people; that we can work together regardless of gender, seniority, roots, age, and so on; and that teamwork means sharing tasks without discriminating against anyone."*

**AMINA YAHYAOU**

**We tackle the three pillars of the gender, diversity and inclusion strategy (healthcare, protection and empowerment) from two perspectives: empowerment of women and the inclusion of the LGBT+ community, always with the general aim of promoting gender equality in a cross-cutting way, aiming to create a diverse, safe and inclusive working environment.**

### 5.3.1. Context

The people in our supply chain are all different in terms of their gender and identity, race, ethnicity, age, education, capacity, religious beliefs, sexual orientation and a host of other factors, so there is no doubting our commitment to diversity. Our commitment to gender equality is unwavering, and we take a transversal approach to this issue, working for the equal treatment of everyone in our supply chain, as well as their families and the communities where they live and mix.

Although our main focus is on women, who represent more than half of the workers in our supply chain, it is also paramount for us to promote actions in connection with the LGBT+ community, not only from this Priority Impact Area, but transversally and comprehensively from all the Priority Impact Areas in which we work.

Over the years we have tackled new challenges and opportunities, such as meeting the needs of people from the LGBT+ community, understanding that we had to do so under the umbrella of what was, until 2020, the Empowerment of Women strategy, leading us to transform it into the Gender, diversity and inclusion strategy.

In a supply chain like ours, the role and understanding of diversity and inclusion at the workplace are complex. Building a work culture that is truly diverse and inclusive is no easy task, especially in countries where laws and social prejudice hinder it. However, when starting our work in this field, we took inspiration from observing and learning from the persistent efforts of various



organisations and the existing awareness in a number of spheres that help and foster change.

This Priority Impact Area focuses on people, their families and communities, so we must understand their needs and learn their concerns to nurture inclusive environments in which this diversity is respected and accepted. Only by understanding these people's needs can we build a strategy that fosters an environment of equality and fairness.

We have focused on women in our supply chain, providing the necessary resources to understand their needs and implement projects that help meet those needs, because of their vulnerability and the high percentage they represent demographically in our production chain.

To respond to the various challenges linked to gender, we have set up a working group specialising in gender topics, that not only supervises the strategy's projects, but also identifies the actions needed when sensitive issues are detected, to be able to implement the relevant remediation plan.

## INDITEXHER

**In 2019, alongside BSR, we introduced the InditeXher programme.**

**This has provided an umbrella for a range of projects we have implemented with BSR and has enabled us to adapt them to the specific needs detected in our supply chain.**

### GOAL

The initial goal was to arrange women empowerment projects in factories and to analyse the two-way impact of projects and purchasing practices.

We have since broadened the scope to, on the one hand, cover more projects and, on the other, increase the engagement of the buying teams.

### ACTIVITIES



**Development of health, protection and empowerment projects** in countries such as Bangladesh, China, Morocco, Vietnam and Pakistan



**Specific gender training** for commercial teams, sustainability teams, suppliers and factories included in the project



**Creation of a specific tool** to analyse the impact of the projects on purchasing practices

The aim of this programme is to improve the communication and interaction between workers and management, as well as the communication between the various areas of Inditex, impacting positively on the lives of women workers and also enhancing the Group's purchasing practices.

### 5.3.2. Impact on dimensions

 WORKPLACE	 WELL-BEING	 INDUSTRY
<p>We ensure that all the facilities in the supply chain meet standards that guarantee respect for labour and human rights, emphasising those actions that are clearly focused on preventing discrimination and workplace and sexual harassment.</p>	<p>Our activities and projects play a crucial role in this dimension, due to their impact on the lives of women workers, their families and the communities where they live. This Priority Impact Area provides solutions to women and the LGBT+ community at their workplace and beyond it, always with the aim of improving their daily lives and positively influencing those around them.</p>	<p>The creation of partnerships is fundamental to develop our projects and achieve our goals. We work with organisations such as UN Women or the ILO to set up global and local collaborations that empower women and other collectives in our supply chain.</p>

### 5.3.3. Strategic lines of action

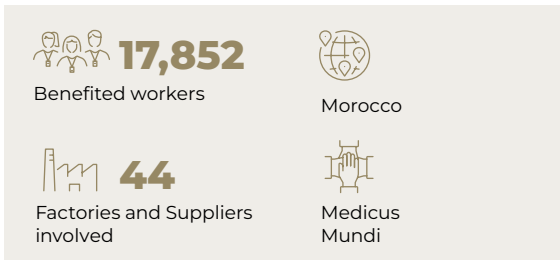
#### HEALTH: Facilitating healthcare services, chiefly in maternity and reproductive health

As part of the first pillar of our Gender, diversity and inclusion strategy, we have a public commitment with the UN Foundation that consists of bringing health services (such as maternity care and reproductive healthcare) to at least 70,000 women workers in 2022.

We work in various countries via different partnerships with the aim of:

<p>Facilitating access to health services <b>aimed at specific gender or sexual orientation needs among the LGBT+ community.</b></p>		<p>Guaranteeing access to health services and promoting women's health, in particular <b>reproductive health and women's hygiene.</b></p>
<p><b>Guaranteeing pregnancy and maternity rights</b> to all women workers in the supply chain.</p>		

## Medicus Mundi Health



Our project in collaboration with Medicus Mundi in Morocco, whose general aim is to “improve the social and health situation of employees in the garment industry” encompasses two of the pillars of our Gender, diversity and inclusion strategy, namely Health and Protection. Within the framework of collaboration with this partner, a three-year agreement was signed for the 2019-2021 period.

Within the health area and through the activities developed in “risk prevention and occupational diseases in the garment industry in Morocco”, the aim is to offer workers, and especially women workers, a range of medical check-ups, such as blood tests and appointments with general practitioners, as well as training on occupational illnesses to raise employees’ awareness regarding ergonomics at the workplace. In 2021, 17,852 workers at 44 factories and suppliers benefited, through the following activities:

### 1. Annual healthcare campaigns that consist of:

- / Blood tests followed by a full medical consultation
- / Receipt of results, evaluation thereof and referral to the relevant specialist where necessary
- / Preventive medical check-ups for early detection of diseases



### 2. Awareness sessions on sexual and reproductive health:

/ In total, 28 sessions were held.

### 3. Awareness sessions on preventing occupational diseases:

- / Held at companies participating in the project, in collaboration with their own occupational doctors
- / The sessions cover a range of topics linked to:
  - / The workplace:
  - / Health and disease risks linked to production processes in factories and other positions
  - / Prevention measures and protective devices
  - / The role of the occupational health and safety committee
  - / Social Security benefits and mandatory medical insurance
  - / Covid-19 prevention

### 4. Organisation of training for members of the health and safety committees at workplace followed by an additional session with the trainer.

The training, which lasted for two days, discussed the role of the occupational health and safety committee, to complete the information provided in the awareness sessions concerning their responsibility to support ensuring adequate working conditions.

## SAKHI Health



The key aim of this project is to convey best practices in connection with health, nutrition, hygiene and a better working atmosphere at factories in India, providing support in the form of training, skills development, healthcare infrastructure and strengthening management systems.

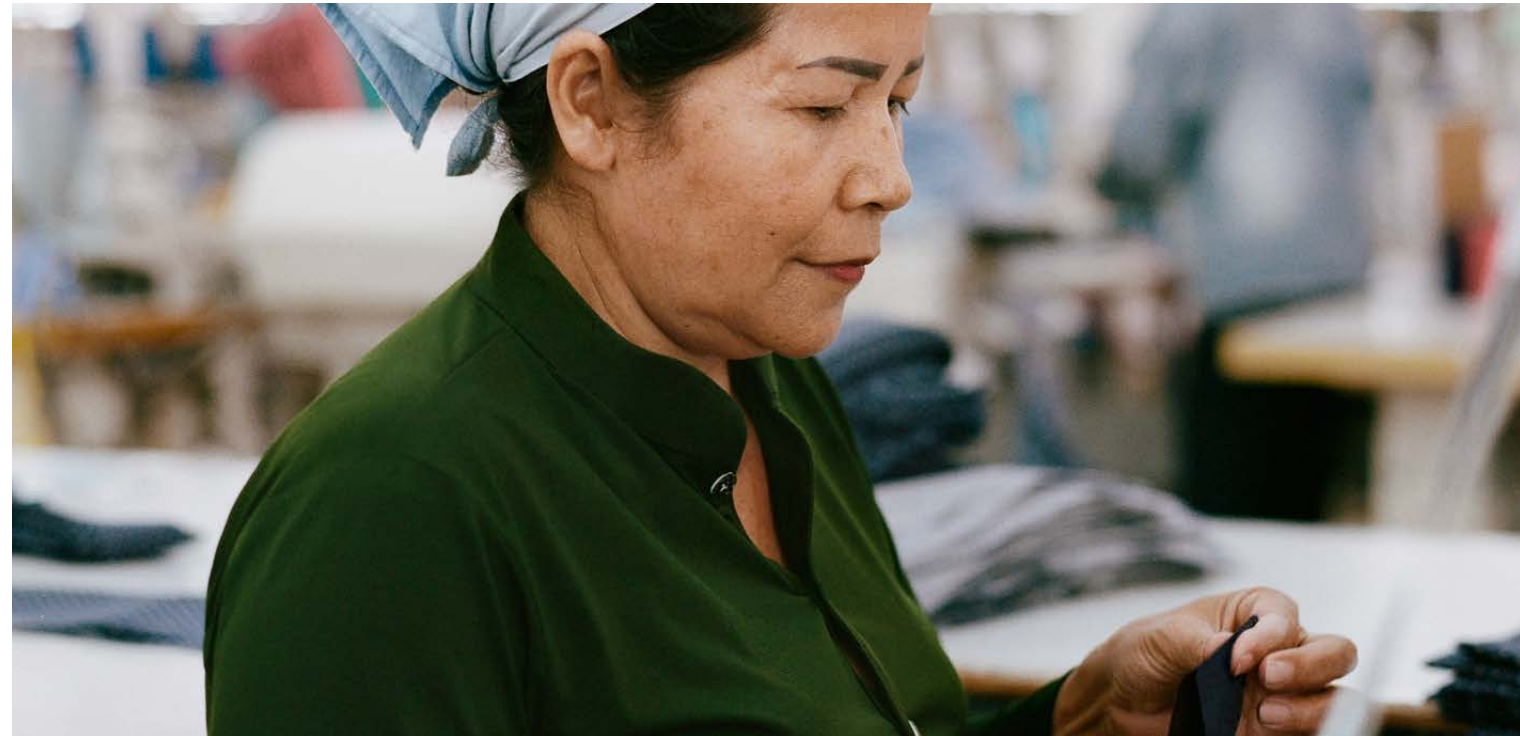
### Project goals:

/ To determine the basic knowledge workers should have regarding health. To provide training in topics such as:

- / Nutrition
- / Ergonomics
- / Mental health
- / Menstrual hygiene
- / Pre- and post-natal care and family planning

The activities include periodic meetings with factory management to review the progress of the training sessions, gauge future needs and requirements, disseminate materials on the health matters identified as being relevant and monitoring through reports.

This work involved 16 factories and suppliers, benefiting 24,796 workers.



## HERhealth



The HERhealth project, launched in Vietnam in 2021, consists of training on various topics linked to workers' health with the main aim of generating adequate knowledge for a healthy life. It was

developed in collaboration with the local non-profit organisation Life Centre and has been introduced at 3 factories, benefiting 2,504 workers. The specific goals of the training sessions are:

- / To raise awareness on topics such as healthy diet, personal and menstrual hygiene and maternal health
- / To raise awareness on the importance of testing for the detection of diseases, preventive care and self-exploration

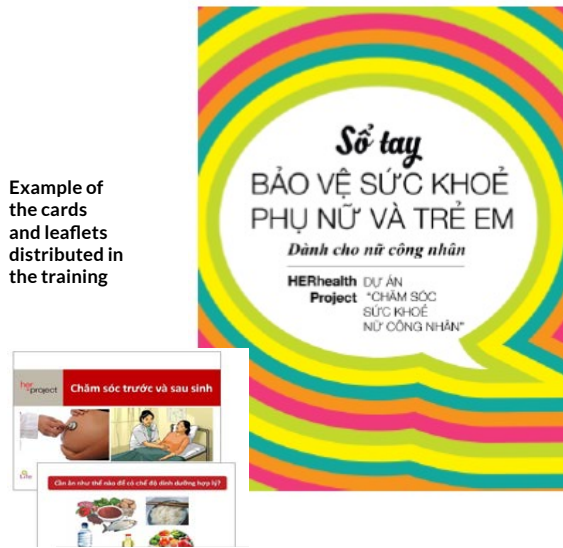


- / To tackle common myths and misconceptions on potentially harmful practices and beliefs
- / To develop confidence and communication skills with regard to health issues at the workplace and at home
- / To strengthen management systems to improve medical capacities at workplaces
- / To link healthcare systems offered by companies with external systems provided by local and governmental administrations
- / To reinforce policies and practices to promote workers' well-being

We have found that developing this knowledge generates an improvement in workers' well-being which then translates into a positive impact for the factories.

So far, the response from suppliers has been very positive. They value the knowledge acquired, as well as putting it into practice at the workplace. Likewise, the training has generated solidarity and strengthened internal collaboration among workers.

Example of the cards and leaflets distributed in the training



### PROTECTION: Promoting zero tolerance policies and practices for the prevention and management of workplace harassment

Preventing workplace harassment and managing it when it does occur, and implementing zero tolerance policies towards these conducts, is a part of the strategy we advocate at Inditex.

The aim of this pillar is to provide protection to various vulnerable groups in our supply chain, such as women. In this respect, we use different activities, projects and training to foster the development and implementation of zero tolerance policies regarding workplace and sexual harassment, as well as prevention practices. The main idea is to secure diverse and inclusive working environments so as to preclude any kind of discrimination.

## CREATION OF A GENDER ALERT SYSTEM

Through local sustainability teams, we can identify potentially discriminatory practices that may pose a barrier to women empowerment. These practices are grouped by category (wages, recruitment, social benefits, professional development at the company, restrictions when it comes to joining trade unions, etc.).

In this regard, if necessary, our teams would report the aspect identified and the corrective actions introduced which they would monitor periodically by means of reviews to assess the effectiveness of the actions implemented to resolve the risks or non-conformities identified, and to detail the status of improvements pending. This is another example of a management system implemented after assessing the risks identified using the various tools we have to compile the information that feeds our strategy.



## Medicus Mundi protection project



As part of the pillar of Protection, we also collaborate with the organisation Medicus Mundi in Morocco. This project, which has benefited 11,294 workers at 33 factories and suppliers, aims to provide women in our supply chain with tools for protection.

We conduct activities to promote social and labour rights and fight against sexual harassment in coordination with the local trade union UAF (Union de l'Action Feministe). A series of training sessions are held for all workers in connection with gender, health, equality, violence in general, gender violence and harassment, as well as sessions on the so-called Moudawana (family code) which covers issues such as the right to health, social and health rights

pursuant to the labour code or Moroccan legislation on these matters, as well as channels to help victims of violence and to prevent violence.

In addition, through the UAF's ANAJDA (meaning "help") centre, the project has supported women workers in precarious situations or who are the victims of violence. The UAF schedules appointments for listening sessions in which people who so wish can receive support. These sessions are confidential to guarantee women workers the necessary guidance and moral or legal support. Furthermore, they are offered accompaniment to facilitate their access to courts, police districts and other administrations of interest.

This year, as part of the project we have also developed various tools to protect women:

- / Audiovisual material in the local language concerning some of the kinds of potential violence at the workplace and workers' rights
- / A protocol against harassment and violence in the workplace that is in the review and approval phase.

- Listening to and accompanying women** in securing the necessary support in situations of domestic violence
- Distributing awareness and educational material** concerning various topics, such as harassment at work or the rights of women workers
- Raising awareness on social and labour rights** to strengthen women workers' skills and abilities
- Creation of a network of gender educators** to produce radio soap operas on the subject that bring these issues closer to the working population



**Fatima Yousffi, Khawlatex**  
*I understood that a victim of harassment or violence is entitled to express herself or denounce her aggressor without fear or shame, and to receive legal protection.*



**Mariyam Tizgha, Nova Moda 2**  
*The training helped me a lot in my work. I am calmer in my actions and more objective when there is a misunderstanding.*

## The “16 days of activism” campaign

The “16 days of activism” against gender violence is an international campaign carried out annually. It begins on 25 November, International Day for the Elimination of Violence Against Women, and ends on 10 December, Human Rights Day. More than 6,000 organisations in approximately 187 countries have taken part in this campaign since 1991, reaching 300 million people.

In 2021, the Ethical Trading Initiative in Bangladesh held awareness activities in supply chains to mark this campaign. The main theme this year was “Orange the World: End Violence Against Women Now”. The goal of this campaign was to raise awareness to prevent and eliminate violence against women and girls, to promote gender equality and create a safe and healthy climate at home and at work. At Inditex, 14 factories from our supply chain in the country joined this campaign, benefiting a total of 47,770 workers. The related activities were as follows:

- / Distribution of leaflets and banners about the campaign and against gender violence
- / Songs with awareness messages played over the public address system in factories
- / Videos shown to raise workers’ awareness.



### HERrespect



This project, in collaboration with the organisation BSR, tackles violence against women, understanding its potential fundamental causes in the workplace. These causes include, among others:

- / Lack of awareness of standards and unequal gender roles
- / Lack of essential management skills to handle stressful environments
- / Dominant gender norms that reinforce the unequal relationship between managers and workers
- / Lack of specific gender policies and systems

to prevent and act on violence, and a lack of communication thereof to managers and workers

The activities are focused on the following:



#### 1. Capacity to build

- / Critical thinking on gender norms
- / Developing skills to prevent and address violence
- / Joint sessions involving workers and management



#### 2. Strengthening management systems

- / Policies and processes to prevent and address violence at work
- / Awareness campaigns and project follow-up
- / Establishment of links with community services and local initiatives

At Inditex, we have included two factories in the project in Bangladesh, benefiting 3,078 workers. One of them is in the evaluation and advisory phase while the second has started the pilot implementation.

## EMPOWERMENT: Involving female workers in projects related to finance, leadership, and empowerment

The empowerment of workers is crucial to provide them with the necessary tools to improve their working conditions and build a solid and sustainable life in every aspect. In this regard, as part of the third pillar of our strategy, we aim to provide the necessary tools to enable women to actively engage in the workplace and access better paid jobs, involving them in financial, leadership and empowerment programmes.

### Together Strong



Training and know-how are key features of this project rolled out in Turkey in partnership with the local NGO AÇEV, specialised in education projects for children, parents and young women. Literacy at work, as well as the development of life skills such as reading comprehension, critical thinking or the application of their rights, are the main axes

of Together Strong. The aim is for women to feel empowered and to create an adequate atmosphere of respect and gender equality in factories.

In 2021, 53 women at the six participant factories (880 workers) completed the thirteen-week training and the next group has commenced training. The launch of the training for men has also been established.

## CMB Tekstil Konfeksiyon factory, Turkey



**Kezban Madenci, sewing**

*After completing the programme, I began to express myself better at home and at work. We have started to share the household tasks more fairly with my husband, my daughter and my son, regardless of gender.*



**Özlem Şanlı, factory manager**

*Women play an active role in management and production at the factory. We have completed the training programme, the gender equality workshops for male workers and the training on gender equality provided by AÇEV with the support of Inditex.*

*Our women employees have increased their ability to communicate effectively at work and in their private lives, and they have improved their mathematical and reading skills, as well as being more aware of discrimination, equality and rights. In addition, and most importantly, thanks to this training, I see that in particular women feel more valued. I would like to thank everyone who helped the women feel safer.*



## HERessentials

 **59,350**  
 Benefited workers

 **Pakistan**

 **6**  
 Factories and Suppliers involved

 **BSR**

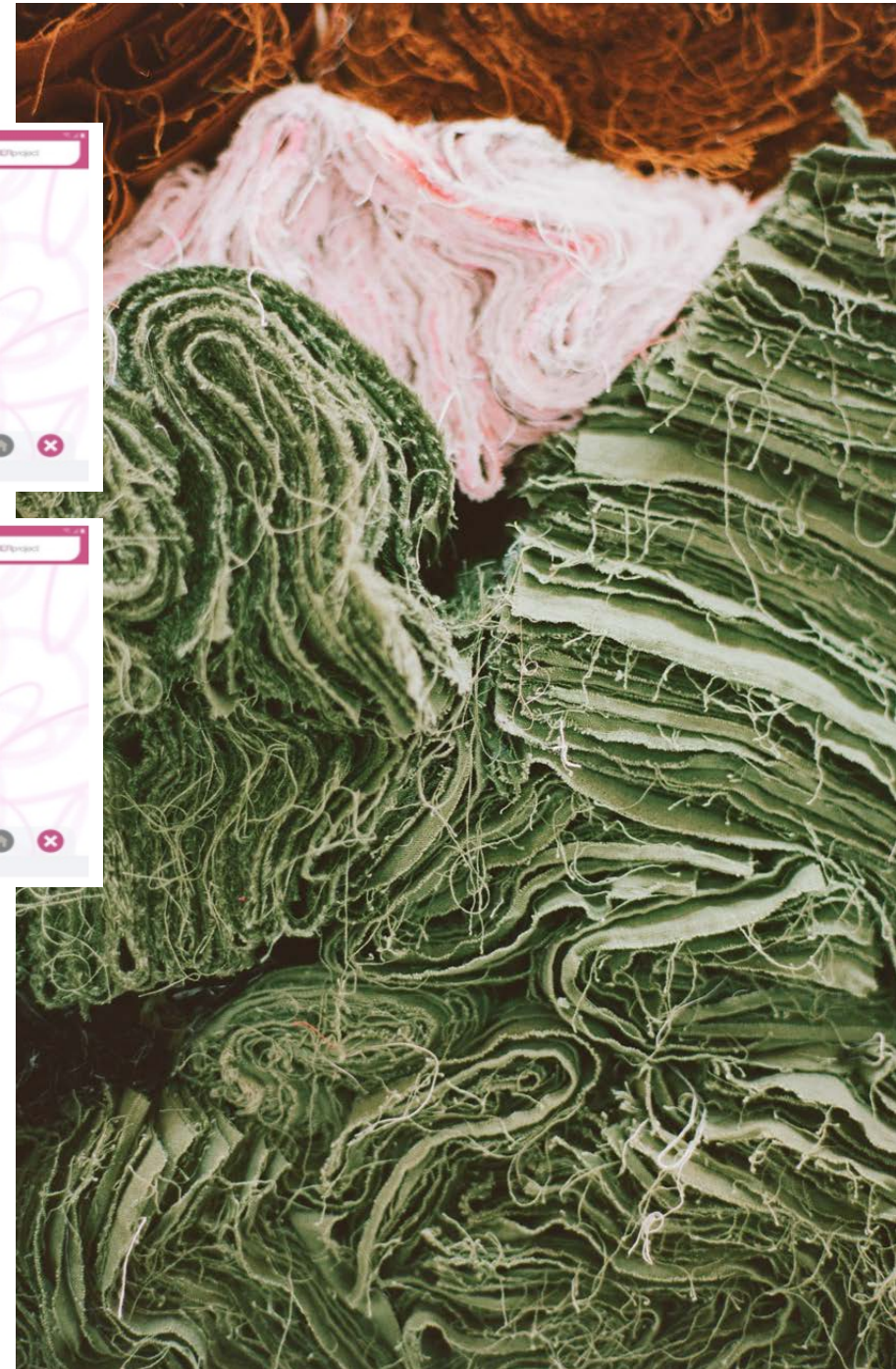
In 2021, in collaboration with our commercial teams and with other brands in the sector, we launched this project at 6 of our suppliers in Pakistan, benefiting 59,350 workers. HERessentials is an app that provides critical information to workers and managers of both genders in global supply chains. It includes information about health, financial resilience and tools to build harmonious relationships and to handle stress, so important during the health crisis caused by covid-19.

Furthermore, it was designed to increase workers' digital and technological literacy and, at the same time, to strengthen resilience in an increasingly technological labour environment. In this regard, it places technology in the hands of women and empowers suppliers to implement the necessary training for workers to learn about these essential topics.

The app was developed based on workers' needs, ensuring it is user friendly for those who are not familiar with technology or have low levels of literacy. Once downloaded, the app is available offline, so it is suitable for workplaces where connectivity might be low. It includes animations



that show basic concepts, games to cement understanding and before and after tests to evaluate learning.







**HERfinance – Financial empowerment.**

 <b>2,266</b> Benefited workers	 China
 <b>5</b> Factories and Suppliers involved	 BSR

Within the framework of the InditeXher project, we implemented HERfinance – Financial empowerment, which, furthermore, is directly related to the HERfinance project on wage digitalisation.

In this regard, we develop the financial skills of the women workers in our supply chain, providing training and skill-building sessions with the fundamental objective of empowering them to acquire the necessary confidence in digital payment services and other tools that afford them financial freedom.

This year, we worked alongside BSR at five factories in China, benefiting 2,266 workers.

 **Skills development**

- / Guidance on financial planning, preparing budgets and methods of saving
- / Fostering confidence in control of finances
- / Awareness of the benefits of formal vs informal employment services
- / Training of factory staff tasked with digital payroll management



**Strengthening management systems**

- / Conversion of cash payrolls payment to digital payment methods to support financial inclusion
- / Integration of financial education in the training of new employees
- / Establishment of links with suppliers of financial services

One of the participating facilities has now completed the project and, when comparing the before and after data, the results show that participants were able to implement simple but effective strategies to increase their savings and protect their families from unforeseen financial difficulties.

## IN DETAIL | Financial empowerment in China

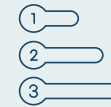
We have joined forces with the organisation BSR to develop the HERfinance project in the sphere of financial empowerment at the factory Qingdao HYC Apparel Co., Ltd. in China



During the survey prior to implementing the project at the factory, we observed that the vast majority of workers are not aware of the importance of saving and they depend on loans to manage spending and address emergencies.



32 workers were selected by the factory management as educators, receiving 12 hours of financial training over 6 months. They were subsequently asked to share their knowledge with their colleagues through 3 initial training sessions and 3 refresher sessions between July 2020 and September 2021.



The factory management is happy with the experience and with the results of this project. After seeing its impact on their employees and the improvement in the workplace, they decided to continue using the course materials and teaching system to train new employees.



This project:

- The participants in the programme have acknowledged the importance of empowering women through the development of financial expertise
- Boosted the savings capacity of employees, especially women
- Increased the percentage of women who budget their monthly expenses from 20% to 55%
- Grew workers' confidence in their capacity to tackle future financial crises, which is directly correlated with the ability to save
- Led women employees at the factory to report a significant improvement in their self-esteem and confidence



**Lili Wang, sewing**

*The trainer uses interactive case studies and group discussions to help us to acquire practical knowledge. I have the opportunity to take part in debates and to practice public speaking during the training. In addition, thanks to the training I have realised that some of my expenditure was unnecessary, so I have started keeping a record of my spending and saving my money.*

## Self-diagnosis tool with ICRW



The International Centre for Research on Women (ICRW) is an international organisation to promote the empowerment of women and gender equality, and it has developed a self-diagnosis tool to assess gender equality that helps organisations to identify their strengths and opportunities for improvement in this area. Factories can use this tool to pinpoint opportunities to integrate gender and evaluate the current degree of integration in policies, practices and operations.

The tool is an online questionnaire that suppliers must complete. Once complete, a customised scorecard is automatically generated that diagnoses strengths and areas for improvement in integration.

Inditex implemented this project in some of its clusters together with other brands in the sector. The clusters that took part in this pilot project were: Bangladesh, India and Vietnam. Likewise, we are working on implementing it in Egypt, Pakistan and Morocco.

After the pilot project, a survey was carried out among brands and suppliers. Both brands and suppliers said the experience was generally positive or very positive, and more than 50% believe that using the tool will affect the planning and initiatives

in connection with gender equality going forward.

In 2022, implementation of the tool will continue while, based on the analysis of the results, we continue to design and roll out initiatives and projects to respond to women's needs in the countries where we operate.

## Diversity and inclusion in Portugal



With a view to transversality in gender equality, we have commenced a pilot project in Portugal that consists of conducting a range of training on sexual health, LGBT+ discrimination and domestic violence with the aim of raising workers' awareness and training them in this regard. This project was launched in conjunction with the organisation PLANO I, which is in charge of providing the training via Centro GIS.

Two kinds of sessions are offered:

- / Awareness sessions for factory workers
- / Certification sessions for human resources staff to achieve diversity and equality certification and to be able to implement strategies and policies and provide training in these issues to the rest of workers.

The aim is to raise workers' awareness regarding respect for diversity and inclusion, tackle myths and misconceptions, generate confidence and hone communication skills, and facilitate contact and help when required.

In January 2022, we launched the pilot at one factory and we plan to expand the scope, as well as to adapt to other markets in accordance with the lessons from this first experience.

In addition, this project will be reinforced with a mobile unit which attendees of the training and any other workers can access to undergo various medical or rapid tests and to have the chance to discuss sexual health issues. All this work will be conducted in the utmost confidentiality and cases will be followed up.





### 5.3.4 2022 outlook

We embark on the final year of the 2019-2022 strategy, strengthening work on two levels:

#### Internally:


- / With our local sustainability teams so that they promote and include gender perspectives in all actions at factories and in the communities.
- / With commercial teams to convey a greater commitment to suppliers.
- / With the rest of the Company's departments to have a gender-based approach across all levels.

#### Externally:

- / With our suppliers, sharing the strategy and considering all the challenges at the local level, primarily in respect of the LGBT+ community, given how sensitive these issues are in some countries.
- / With other brands and stakeholders to broaden our actions, and to form a part of the industry-wide movement in connection with gender, inclusion and equality.
- / With public bodies and institutions, especially with regard to the pillars of healthcare and protection.
- / With the communities where we operate, to impact not only the workers in our supply chain, but everyone who lives in those communities.

## 5.4. Occupational health and safety

**STRATEGY**



✓ Monitoring compliance with the Code of Conduct and applicable legislation

✓ Emergency preparedness and response


✓ Effective worker participation in occupational health and safety issues

✓ Implementing occupational health and safety management systems

**ALLIANCES AND PARTNERSHIPS**

- AKUT
- International Accord
- Medicus Mundi
- National Safety Council
- RMG Sustainability Council
- St. Johns Medical College

**Guaranteeing that workers in the supply chain are protected against risks to their occupational health, safety, and well-being**



**RELATED HUMAN RIGHTS**

- Fair and favourable working conditions
- Education
- Freedom of association
- Health
- Life


**NUMBER OF PROJECTS \***

**11**


**NUMBER OF ACTIVITIES \*\***

**25**


**RELATED SDGS**




**3** GOOD HEALTH AND WELL-BEING



**8** DECENT WORK AND ECONOMIC GROWTH




**17** PARTNERSHIPS FOR THE GOALS



**2021 KEY INDICATORS**


**935,483**

BENEFITED WORKERS




**542**

SUPPLIERS AND FACTORIES INVOLVED



PORTUGAL, MOROCCO, TURKEY, INDIA, PAKISTAN, BANGLADESH, VIETNAM AND CHINA



## THE VOICE OF THE WORKER



**Worker**  
Judite Mimoso de Barros  
Pinto, Cutting Section



**Factory**  
Emasel - Moda e  
Confecção, LDA



**Market**  
Portugal



Judite has taken part in the project for the Development and Involvement to Improve Physical and Mental Health that we implement in the Occupational health and safety Priority Impact Area.



We develop projects that encourage workers in our supply chain in terms of their knowledge of physical and mental health. The activities in this area have become especially important in the wake of the health crisis.

*I have been working at Emasel for 31 years and I feel at ease at every level. Receiving the necessary PPE makes me feel more comfortable and safer, and I realise that the company is looking out for my well-being and comfort in the workplace.*

**JUDITE MIMOSO DE BARROS PINTO**

## Signing of the International Accord for Health and Safety in the Textile and Garment Industry.

Throughout this year, from Inditex we have promoted the signing of the International Accord for Health and Safety in the Textile and Garment Industry, known as the International Accord, which took place on 1 September 2021. This new agreement, signed individually by brands in the sector and by IndustriALL Global Union and UNI Global Union, is based on the 2013 Accord on Fire and Building Safety in Bangladesh and the 2018 Accord on Fire and Building Safety in Bangladesh, which we have also promoted.

One of the main new developments of this agreement is the commitment to expand to other markets the learnt lessons and achievements from previous agreements, which attained unprecedented success in effectively and transparently establishing essential health and safety measures in the textile industry in Bangladesh. Furthermore, this new agreement acknowledges the option to expand its scope beyond aspects linked to health and safety.

The International Accord supports the RMG Sustainability Council (RSC) initiative, which is independent and aimed at continuing the work done on safety in the textile industry in Bangladesh in the last few years, by means of a close collaboration between manufacturers, brands and trade unions. At Inditex, we continue to closely collaborate with this organisation, as part of our commitment to health and safety in the supply chain.

## 5.4.1 Context

Protecting people from occupational health and safety risks is a key element to achieving decent and sustainable working conditions. The ILO conventions and recommendations, as well as related national legislation, has reduced workplace risks and improved regulations on occupational health and safety in our sector worldwide. However, challenges persist, such as those deriving from the pandemic, that have highlighted new issues that must be resolved.

Accordingly, the right to a healthy and safe work environment is enshrined in principle 10 of the European Pillar of Social Rights and is vital to achieve the United Nations Sustainable Development Goals.

The strategy of the Occupational health and safety Priority Impact Area establishes the main priorities and actions needed to improve the health and safety of workers in our supply chain over the 2019-2022 time frame. This strategic plan is based on the premise that no-one should endure work-related accidents or illnesses and that healthy and safe conditions are a pre-requisite for decent employment.

At the same time, this strategy serves as the framework for our projects and activities in this area. Experts in occupational health and safety from Inditex teams in the main production markets have helped devise the strategy and play a pivotal role in its proper implementation and monitoring on the ground. Moreover, various stakeholders join us in implementing these actions. Their contribution is essential to foster the positive impact of initiatives that are carried out to achieve our goals.

The health crisis has evidenced just how crucial it is to protect workers' health, for our society to function and for critical economic and social activities to continue. In this regard, the path towards recovery and economic reactivation must also include a renewed commitment to prioritising health and safety at work. This path is underpinned by a greater recognition of the fundamental importance of occupational health and safety, which increases peoples' acceptance of and engagement in the projects and initiatives in this sphere.

In this regard, as a complement to our strategic plan, in 2020 we launched our response to covid-19, which continued in 2021. Its main purpose is to support our suppliers and manufacturers and assist them in the introduction of specific measures designed to prevent covid-19 at the workplace.

Moreover, the sweeping changes in the labour context of recent years has also stepped up the focus and awareness of psycho-social risks and personal well-being. Aspects linked to mental health or ergonomic risks at the workplace are increasingly important in all spheres, boosting research and broadened knowledge of these matters. Over the course of this year, at Inditex we have started working on various initiatives linked to mental health and well-being in our supply chain.

## Continuation of our covid-19 strategy

At the onset of the health crisis, at Inditex we launched a strategy to strengthen workers' health protection in our supply chain, consistent with the occupational health and safety strategy.

The work carried out has enabled us to articulate a swift global response on an especially relevant matter: health. In this regard, since 2020 we have been working on three specific lines of action and we have continued these efforts in 2021:

### / Information



Through the communication of requirements and recommendations applicable in the various production countries. In 2021 we have worked in this action line in Vietnam, Myanmar and Sri Lanka.



### / Assessment

Self-assessments and assessments in the supply chain in connection with compliance with the various requirements. In 2021 we have worked on this line in Cambodia, India and Vietnam.



### / Improvement

Establishing corrective plans, training and monitoring to secure healthier labour conditions. In 2021 we pursued this action line in Morocco, India, Myanmar and Cambodia.



## 5.4.2 Impact on dimensions

 <b>WORKPLACE</b>	 <b>WELL-BEING</b>	 <b>INDUSTRY</b>
<p>We strive to ensure that all the facilities in the supply chain are compliant with our Code of Conduct, with applicable legislation in this field and with the related technical standards. Moreover, we spotlight a continuous improvement approach by our suppliers and manufacturers in occupational health and safety, strengthening their emergency preparedness and response and their occupational health and safety management systems.</p>	<p>We aim to ensure that workers enjoy favourable health and well-being conditions beyond their workplace. We therefore address aspects linked to their mental health, healthy lifestyle or best practices in covid-19 prevention, aimed at nurturing favourable conditions in their family and community life.</p>	<p>We also address the challenges associated with occupational health and safety in our industry in collaboration with stakeholders. It is critical to take this collaborative approach to improve working conditions in the textile industry, since it boosts the positive impact thanks to the synergies between various players. In particular, our signing of the International Accord for Health and Safety in the Textile and Garment Industry or our collaboration in Zero Discharge of Hazardous Chemicals are examples of our commitments at an industry level to building safety or the management of chemical hazards for workers' health and safety.</p>

## 5.4.3 Strategic lines of action

### Monitoring compliance with the Code of Conduct and applicable legislation

The essential compliance requirements for facilities in our supply chain are provided in our [Code of Conduct for Manufacturers and Suppliers](#) as well as in the applicable national legislation. In this regard, monitoring levels of compliance and establishing initiatives for improvement is a priority in our activity.

Likewise, the ILO Code of practice on safety and health in the textiles, clothing, leather and footwear industries and the EU Strategic Framework on Health and Safety at Work 2021-2027, both adopted in 2021, serve as key references for setting new targets, making progress on occupational health and safety and directing efforts beyond legislative compliance.



## Involvement in establishing the “code of practice on safety and health in the textiles, clothing, leather and footwear industries”, adopted by the ILO in 2021

The code of practice establishes principles that may be reflected in policies, projects or other measures in certain economic sectors. These practices are adopted at expert meetings involving governments, employers and workers.

The purpose of this code is to “provide practical guidelines for the use of all those, both in the public and private sector, who have obligations, responsibilities, duties and rights regarding safety and health in the textiles, clothing, leather and footwear industries”.

At Inditex we have participated in developing this code adopted by the ILO, which is now a key benchmark in our supply chain occupational health and safety strategy.

### Fire, structural and electrical assessment



In order to reinforce our strict safety standards and requirements in Bangladesh, production facilities must undergo a structural, fire, structural and electrical assessment before entering our supply chain.

Moreover, specialists in structural security from our in-house staff analyse in detail cases linked to this issue in our supply chain in countries like China and Turkey with the aim of detecting potential risks and mitigating them where necessary.

In particular, in Turkey in 2021 we conducted a detailed study of a selection of factories in the Izmir region, to analyse the characteristics of their buildings (such as number of floors or date of construction of the buildings) to develop a risk profile. On the basis of the data compiled by suppliers, actions plans will be developed and supervised to mitigate potential structural risks.

In 2021, 144 factories and suppliers took part in this kind of assessment, benefiting 160,562 workers.

### Monitoring compliance of Accord RSC corrective action plans



As a signatory of the International Accord for Health and Safety in the Textile and Garment Industry, known as the International Accord, Inditex is committed to health and safety at textile factories. Our engineers verify and monitor the effective implementation of corrective actions at our suppliers and manufacturers as required by the agreement.

In 2020, the RMG Sustainability Council (RSC) took over all the Accord’s operations in Bangladesh, although its protocols and activities remained in line with previous years’ work. Hence, in 2021 our engineers continue to support and monitor the corrective action plans required by the RSC, specifically those implemented at 270 factories and suppliers, benefiting 657,089 workers.

Likewise, the RSC has provided continuity to activities related to grievance mechanisms in Bangladesh in connection with occupational health and safety. At Inditex, we offer accompaniment and support in order to resolve open and reported issues.

## Assessment, continuous improvement and training in health and safety



Based on feedback from social audits, in 2015 we established a project in Morocco to assess and establish continuous improvement processes in the area of health and safety at production facilities in our supply chain.

The project methodology was subsequently renewed in 2018 to encourage compliance by the factories in this regard. Our actions consist of an initial assessment phase, after which the results

and necessary measures are explained to the suppliers and corrective action plans are put in place, monitored by our local team. Once the plan has been completed, the next social audit serves to verify whether the corrective actions have had a positive impact on the level of compliance. In 2021 we have continued to implement this project in eight factories with 2,274 workers.

Furthermore, also this year we launched the project in five factories in Cambodia (1,505 workers), with a focus on training, assessment and improvement in occupational health and safety. After an initial phase of training in basic aspects of this issue, including covid-19 prevention, the factories conduct a self-assessment, verified by our staff. Following this verification, a corrective action plan is established which the factories adopt with the support of our staff.

### Boiler safety



This project was launched in 2021 with the aim of raising awareness on the risks and on alternative solutions, to eliminate the use of domestic gas bottles, to fuel industrial boilers, and replace them with appropriate energy sources such as industrial gas tanks or containers.

When a factory is found to be using domestic gas canisters, a diagnostic visit is carried out to assess the boiler's condition and implement an urgent action plan to replace this fuel source and upgrade the boiler's safety.

Over the course of this year, we have involved 12 factories in this project, benefiting 2,588 workers.

### Emergency preparedness and response

Adequate emergency preparedness and response enables workers to minimise potential damage and related consequences. We work with our suppliers and manufacturers to strengthen and maintain the necessary provisions for emergency prevention, preparedness and response through a number of initiatives, such as improving their emergency plans or training workers in evacuation and first aid.



## Fire, structural, and electrical safety using advanced diagnostics



In the last few years, a large number of the fires at industrial facilities in the sector have been linked to electrical safety issues. Consequently, we have developed one of the most innovative occupational health and safety projects in our supply chain, using advanced diagnostic techniques for electrical safety and fire prevention.

The aim is to understand a facility’s electrical hazards and risks so as to minimise them. Our assessment and study help understand the risks linked to electrical systems, which require special attention beyond the regular workplace maintenance activities.

In India, where this project is known as Suraksha, it has been in place since 2020 and harnesses these advanced diagnostic techniques. One of these techniques is thermography, which uses infrared radiation captured by a thermal camera to measure the temperature of different elements. The use of this technique in electrical circuits, switchboards or machinery allows early detection of high temperature points that carry an increased risk of electrical failure due to damaged, corroded or high resistance



connections. These high temperature points can be sources of ignition in a fire, generate overloads or trigger short circuits.

The project is in place at 21 suppliers (37,239 workers) in our supply chain in India. In 2022, the aim is to continue advancing in these corrective action plans and to engage new suppliers in this key project for occupational health and safety in our supply chain in India.

This project is complemented by training provided by India’s National Safety Council in connection with this issue in the industrial environment. This five module course is a convenient tool for developing the skills of the staff responsible for aspects of occupational

health and safety at factories in our supply chain. At Inditex we facilitate access to this course for our suppliers in India to help suppliers’ representatives develop the necessary capabilities and hone their skills to successfully implement and manage occupational health and safety systems at the workplace. 21 of our suppliers and manufacturers (20,182 workers) took part in this course in 2021.



## IN DETAIL | Fire, structural and electrical safety using advanced diagnostics in India

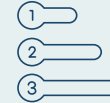
Our supplier SND Inc in India, after previously taking part in other projects in connection with health and safety management systems, was a suitable candidate for this project.



The project was presented to this supplier's management team, who acknowledge the importance of this issue and assert their commitment to developing it.



In June-July 2021, this supplier's two premises, where more than 900 employees work, were assessed using advanced diagnostic techniques. These assessments also served to convey details on the requirements of India's central electricity authority and the country's technical standards to the persons responsible for health and safety.



As a result of these assessments, a corrective action plan was established covering issues to be resolved.



This corrective action plan is in the implementation phase, with 78% progress achieved so far, and it is expected to be completed in 2022.



**Anurag Kumar, factory manager**

*Thermographic testing is very important for us to detect faulty connections, unbalanced loads, worn insulation and other potential problems in our electrical components. This assessment tells us how to minimise the risk of fire at our facilities in detail. We have also learned about the benefits of maintaining equipment and the measures needed to protect our workers.*



**JP Bhardwaj, sewing**

*I have been working in the sewing team for the last two years. The company pays particular attention to all the aspects linked to our safety so that we feel safe working at the factory. The factory guarantees preventive maintenance of the systems to avoid potential fires inside the facilities.*



In 2021 we also launched this project at seven factories in Pakistan (39,032 workers). The assessments, conducted by external experts in this field, allow us to understand the risks relating to the facilities of suppliers and manufacturers and to reduce them by implementing corrective action plans. These corrective plans are launched with the support and supervision of our staff.

### Training programme for emergency preparedness

 Turkey	 AKUT
----------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------

The geographical location of Turkey and its seismic activity represent a significant risk for the country's buildings and constructions. The factories in our supply chain are also exposed to this risk. The aim of this project is to raise awareness and foster best response practices in relation to emergency preparedness, with a focus on earthquakes at factory and community level.

Since 2019, actions ranging from training in the factories to the distribution of materials on earthquakes have been implemented with the collaboration of the local NGO AKUT. In 2021, the efforts focused on creating animation videos to raise awareness of what an earthquake is, how to be prepared and what to do in the aftermath. Although children are the main targets, it will be disseminated to reach a broader audience.

### Training, assessment and improved response to emergencies, electrical and fire risks

 <b>52,880</b> Benefited workers	 Pakistan
 <b>6</b> Factories and Suppliers involved	

Since 2019 we have been working on this occupational health and safety project with our suppliers in Pakistan. The project is developed by our in-house team and focuses on training suppliers' health and safety managers, assessing their facilities and establishing corrective action plans to improve their performance in this regard. This project addresses basic compliance issues in connection with occupational health and safety, in which more in-depth progress is then made via the project using advanced diagnostic techniques. Specifically, in 2021 the efforts centred on 6 factories and suppliers, providing training and benefiting a total of 52,880 workers.

## Effective worker participation in occupational health and safety issues

Worker participation is an essential aspect of proper occupational health and safety performance. Through this strategic line of action, we endeavour to ensure that both workers and their representatives are consulted, informed and trained in health and safety matters in all aspects relevant to their work. This means that workers need to have the time and resources to take an active part in the various aspects of their workplace that are linked to their health and safety.

## Support for the Health and Safety Committees



Mindful of the importance of the effective participation of supply chain workers in all the actions and negotiations that take place in production facilities, at Inditex we train and accompany members of the factories' health and safety committees in Morocco to empower them and provide them with the appropriate tools in collaboration with Medicus Mundi and AMSAT (Association Marocaine de la Santé au Travail).

In 2021, we have worked in this sphere with 8 factories, benefiting 3,128 workers.

## Development of and involvement in endeavours to improve physical and mental health



This project is aimed at enhancing the knowledge of physical and mental health among the workers in our supply chain, identifying the main concepts, signifying their importance, their impacts on work and in everyday life. The aim is to look at how to prevent and act in the event of symptoms of physical and mental health conditions, especially as a result of the covid-19 pandemic, but also considering the work conditions and activities performed by the workers in our supply chain.

The key lines of work are:

- / Awareness regarding the importance of physical and mental health
- / Facilitating information for reference as well as assistance
- / Establishing preventive practices and approaches in the supply chain.

Accordingly, in Portugal we have conducted a first phase of training for 43 suppliers (4,239 workers), which will lead to further development of this project in 2022.

Furthermore, in Vietnam we began in 2021 with a pilot project at five factories (4,747 workers). The workers have participated actively through evaluation surveys on aspects concerning their workplace before and after the pandemic. The findings of these surveys led to adapted training sessions with experts in the field to establish best practices and measures to improve in this area.



## Implementing occupational health and safety management systems

The implementation of occupational health and safety management systems helps to ensure healthy and safe working environments, providing a framework for appropriate risk and opportunity management, and anticipation and change management. These systems emanate from management's leadership and firm commitment to occupational health and safety and are generally underpinned by the Deming cycle model (plan-do-check-act) to improve an organisation's performance. Our work with suppliers and manufacturers in this strategic line of action is especially oriented towards reinforcing this commitment to occupational health and safety and enabling their organisational structure to establish occupational health and safety management systems targeting continuous improvement.



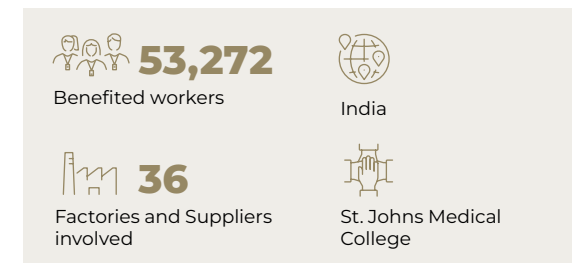
to encourage the implementation of occupational health and safety management systems and reduce potential risks in Inditex's supply chain, improving management tools, optimising worker participation and promoting the engagement of suppliers and the development of a safety culture.

The project launched in 2020 was designed to have three phases:

1. Initial training on basic concepts of management of health and safety and occupational risk assessment.
2. Specific training on fire, machinery and electrical risks.
3. Evaluation and improvement of occupational risk management and prevention systems.

The first two phases were completed in 2020 and the third was completed in 2021, at 4 factories, benefiting a total of 1,787 workers, and culminating this project.

## HOPE: Health – Opportunity to Protect and Engage



This project was launched in 2021 at 36 factories and suppliers, benefiting a total of 53,272 workers, with the aim of improving physical and mental healthcare management at the factories involved, addressing the symptoms and long-term complications of covid-19 both physically and mentally. The project was carried out in partnership with St Johns Medical College, which, using a preliminary questionnaire completed by the factories, developed training materials and support tools to raise awareness concerning these issues and to help workers experiencing these kinds of symptoms. This project reduces the covid-19 knowledge gap and helps improve the health of those affected.

## Safety and well-being in the workplace



We work together with Ton Duc Thang University (TDTU), a leading Vietnamese academic institution, on issues of occupational and environmental protection. The project's goal is





### 5.4.4 2022 outlook

The commitment of our suppliers and manufacturers to ensuring their workplaces are healthy and safe is essential for the success of this strategy. This commitment was renewed to tackle the health crisis, continuing to improve health and safety conditions in other spheres, outlined above, as a priority.

Ongoing joint efforts are the main component for progress in achieving a positive impact on the workers of our supply chain and a successful conclusion of our strategy next year. As for the future approach and coordination with our current strategy, we are working on a comprehensive vision of health, comprising three main areas:

/ **Safety:** Including initiatives linked to the active promotion and sustainability of safe working conditions. In particular, this area encompasses projects and activities aimed at addressing the risk of physical injury, active prevention of unforeseen events like accidents or incidents, and the improvement of unsafe working conditions.

/ **Health:** The covid-19 pandemic has underscored how important it is to protect workers' health. In this area, we focus on protecting their physical health, by addressing in our initiatives aspects such as ergonomics, exposure to hazardous physical agents or chemical substances or health monitoring.

/ **Well-being:** This area is aimed at improving mental health and reducing the psycho-social risks to which workers are exposed. The nature of the work, its repetitiveness, excessive workload or conflicting roles and responsibilities or the absence of flexible working hours are some aspects that impact on workers' mental health and well-being.

These three areas establish the fundamental pillars on which to afford continuity to our strategy going forward and maintain our commitment to safe and healthy environments.

## 5.5. Protection of migrants and refugees



## THE VOICE OF THE WORKER



**Worker**  
Abdulsalam Ezrik. Sewing



**Factory**  
Arge Optik Tekstil



**Market**  
Turkey



Abdulsalam took part in the “Buddy Programme” for integration that we implement in the Protection of migrants and refugees Priority Impact Area with the collaboration of the International Labour Organization.



The “Buddy Programme” provides support and guidance to migrant and refugee workers in our supply chain, with the aim of helping them to develop skills to better integrate in the workplace and in the communities where they live.

*We quickly became close. During the sessions I did not feel like a stranger at all and now I feel closer to my colleagues. During the training, I felt like I did in my country.*

**ABDULSALAM EZRIK**

### 5.5.1 Context

Refugees and migrant workers are among the most vulnerable groups working in supply chains within the textile industry and are therefore at a higher risk of having their human rights impacted.

Since these are the realities we face in our supply chain, Inditex has set up a working group specialising in responding to the needs of these workers and performing rigorous analyses to evaluate their employment situation as a first step from which to create projects and initiatives that protect them and have a positive impact on their labour, social and living conditions.


Under the umbrella of its [Policy on Human Rights](#) and [Code of Conduct for Manufacturers and Suppliers](#), Inditex provides special protection to all migrants, especially to refugees in Turkey, due to their particular vulnerability as a result of the Syrian conflict.

This vulnerability is one of the main challenges of this Priority Impact Area. Specifically, in Turkey, the limited access of these workers to protection systems or the language barriers they face often hamper their integration or social cohesion both in the factories where they work and in the communities where they live.

## 5.5.2 Impact on dimensions

At the same time, in countries such as India, many workers migrate to distant regions to attain decent working and living conditions, and face challenges such as having to adapt to the new communities where they live or work.

In this regard, at Inditex we have established partnerships and commitments with other organisations that help us to face the challenges identified both at the local and global levels. Our participation in different projects and activities gives us comprehensive knowledge to address the difficulties we face. Likewise, participation in events throughout the industry enhances that knowledge with new developments and shared challenges and opportunities.

 WORKPLACE	 WELL-BEING	 INDUSTRY
<p>Activities and projects are implemented at workplaces that are aimed at generating a positive impact on refugees and migrants as a function of their needs and in line with the specific objectives identified. Plans for effective assessment and remediation, fair recruitment and cohesion are developed based on the needs and challenges faced by these especially vulnerable groups.</p>	<p>We also want our project and remediation plans to impact the families of the workers in our supply chain who may be facing similar vulnerability.</p>	<p>We set up local and international partnerships to strengthen practices in the industry and improve the living and working conditions of migrants and refugees. These collaborations are an important axis for achieving sustainable solutions throughout the industry.</p>



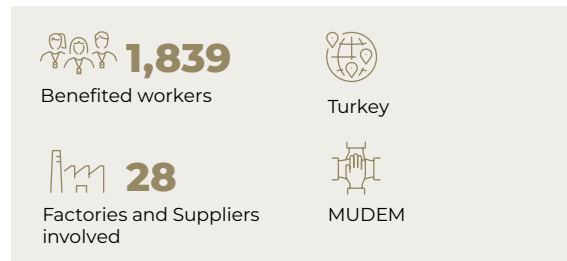


## 5.5.3 Strategic lines of action

### Remediation plans for refugees and migrants

Inditex works with the goal of ensuring that the social and labour rights of all the supply chain workers are upheld, but we set special store by detecting any potential impact on the most vulnerable groups. Therefore, in the event that our assessments reveal migrant or refugee workers at any of the production facilities we work with, we examine the circumstances on a case-by-case basis and, if necessary, we implement corrective action plans in conjunction with organisations that are experts in the field so as to provide support to both the workers and their families.

#### Remediation plans in Turkey

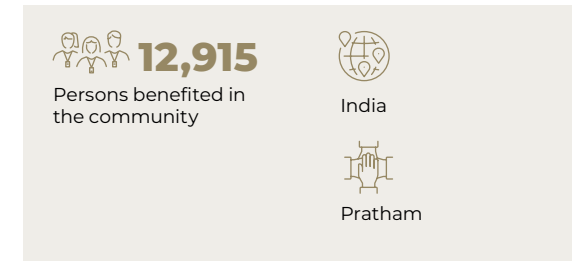


In Turkey we work alongside the organisation MUDEM to establish the necessary remediation plans at the production facilities in our supply chain. This collaboration is aimed at regulating the employment situation of refugee and migrant workers and covers aspects such as removing language barriers, which helps integration. In

2021, 104 remediation plans were executed in 28 factories with 1,839 workers. Our work in this sphere is classified into the following four blocks:

- Assessment and effective verification of the labour conditions** of refugees and migrants by organisations specialising in the field
- Supporting the integration** of migrants and refugees at the workplace through training and language courses
- Obtaining the necessary work permits** or other official documents
- Presentation of organisations specialising in helping refugee and migrant workers to provide them with the **necessary advice and support** (in their day-to-day lives, psychological support or help in accessing health services, among others)

### Sankalp






We work with the local organisation Pratham to prevent unsafe migration in India. During 2021 we have continued the work that began in 2020 when, due to the health crisis, thousands of people who had migrated to cities had to return to their homes in rural areas. We endeavour to raise awareness in communities about the importance of safe migration and the education of minors, for which governments and local authorities have been involved. In 2021, 12,915 people were reached through awareness raising sessions.

In 2021, we also conducted 341 awareness sessions at schools.

We collaborate with local administrations in points of entry into and departure from districts to stop irregular or unsafe migration. We support workers in their registration with social protection schemes, as well as conducting community awareness sessions. The main activities include establishing mobile offices for employment registration in collaboration with the local authority; conducting audiovisual sessions in communities, concerning

matters of hygiene, personal cleanliness and vaccination; monitoring through helpdesks at bus and train stations; and raising awareness about unsafe migration. In this regard, the main goals are:

-  Prevention through the identification of groups most vulnerable to unsafe migration
-  Awareness among migrant workers and their families about the benefits of being registered in public protection systems
-  Awareness among migrants and communities regarding the importance of being vaccinated against covid-19



## Fair employment and recruitment practices for migrants and refugees

Establishing effective management systems to ensure that all workers, including migrants and refugees, are recruited fairly and enjoy decent working conditions is relevant to our work in this Priority Impact Area, as it is fundamental to their professional and personal well-being.

Developing action guidelines, training suppliers and manufacturers to implement projects that promote fair employment practices are our main activities. This is another way to ensure that these workers can exercise their rights and enjoy the same equality of opportunities as their peers.

### Sowbhagyam 2



This project, which began in 2020 as a continuation of the Sowbhagyam 1 project, allows us to assess the safety and protection of women workers at spinning mills in the Tamil Nadu region of India, home to around 60% of this kind of facility in that country, and to guarantee that they have fair working conditions and that their workplaces are safe for women.

For this purpose, we work together with SAVE (the local organisation we have been partnering since 2013) to assess the potential risks to which women workers (who are generally migrants from other regions of India) are exposed and thus deploy the necessary mitigation measures, carrying out visits where qualitative and quantitative information is gleaned to identifying possible discriminatory practices. In addition, awareness sessions are offered to factory management focusing primarily on preventing sexual harassment, as well as developing fair recruitment practices and the protection of migrant workers.

The project has been implemented at 41 factories, benefiting 27,577 workers, including factory managers with varying levels of responsibility, workers' representatives and recruitment agents.



**Goals:**

- / Understanding current labour practices
- / Ensuring that factories adopt best recruitment practices
- / Strengthening internal grievance committees to prevent, prohibit and redress sexual harassment at the workplace
- / Improving access to redress mechanisms at the workplace
- / Identifying and providing timely advice to vulnerable workers



**Main activities:**

- / Assessment of the needs through special visits by the organisation
- / Obtaining qualitative and quantitative information to identify possible discriminatory and risky practices
- / Awareness workshops for factory management

**Reinforcing social and workplace cohesion**

This strategic line is aimed at increasing cohesion in the workplace by strengthening communication and interaction between refugees, migrants and host communities through the development of new projects, as well as the dissemination of best practices throughout our supply chain.

At Inditex we aim to nurture cohesive and inclusive working environments for all the workers in our supply chain, with a particular emphasis on the most vulnerable groups such as migrants and refugees, since the sense of belonging is fundamental for a person to be able to develop in a dignified manner both personally and professionally.



**Training project for migrant workers**



Language barriers prevent refugee or migrant workers from receiving training on their rights. Moreover, due to cultural differences, conflicts may emerge in factories. Within the scope of our partnership with local NGO United Work, since 2018 training in this regard has been offered to migrant and refugee workers and factory management.

This year we have rolled out this project at 14 factories, training a total of 20 members of management and supervisors. In addition, a pilot project was launched to measure the impact of these sessions through a survey shared with migrant and refugee workers through a QR, involving 83 refugees.

## Buddy Programme integration project

 **172**  
 Benefited workers

 **Turkey**


 **2**  
 Factories and Suppliers involved

 **ILO**



We have been implementing this project developed in collaboration with the ILO since 2018 with the aim of helping migrant and refugee workers adapt to work while they receive cultural guidance regarding the communities in which they live. These sessions provide them with support and are aimed at affording them vocational, legal and sociocultural skills to improve their integration, as well as facilitating their access to the labour market.

Specifically, in 2021 we have communicated with the ILO and the academics they work with, to convey what we have learned and the knowledge we have gleaned in connection with this project so as to improve it, implementing the project in two factories with 172 workers.

 **GOALS**

- ✓ To raise awareness among migrant and refugee workers concerning their rights and responsibilities
- ✓ To strengthen and facilitate migrant and refugee workers' labour and social integration
- ✓ To building adequate communication channels between NGOs specialized in this field and migrant and refugee workers

 **MAIN TOPICS OF THE AWARENESS SESSIONS**

- ✓ Cultural differences
- ✓ Human and fundamental rights, and labour legislation in Turkey
- ✓ Occupational health and safety
- ✓ Discrimination, harassment and abuse
- ✓ Communication methods at workplaces
- ✓ Gender equality
- ✓ The effects of covid-19 on working life



## IN DETAIL | Buddy Programme integration project in Turkey

In 2021, alongside the International Labour Organization, we completed this ILO integration programme at the Arge Optik factory in Turkey's Adana province.



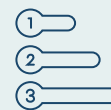
To achieve social cohesion it is crucial to eliminate the cultural differences between refugees and their host communities. The aim is to overcome this challenge by strengthening relationships between refugee and Turkish workers.



The project encourages workers to spend free time together and they are offered a number of activities to choose from. The project included two main training sessions and a month in which workers were encouraged to spend time together. In the first training session, workers had the opportunity to get to know better the organisations we work with, like the ILO, and they met with trainers to create an environment of mutual trust.

This training covered the following aspects:

- /Fundamental rights in working life
- /Discrimination
- /Gender equality
- /Communication skills development



The workers' feedback compiled by the ILO during the training indicates that the project enabled them to understand the need to eradicate any kind of racial or other discrimination (based on gender, age, disability, etc.).

Similarly, the feedback received by the ILO and the trainers shows that in the second training the project worked effectively. These observations were also verified by a scale of attitudes. Colleagues performed numerous activities outside the factories, such as joining in festivals, playing computer games together, taking photos and videos, etc., and they spent time together during their tea breaks during working hours. The trainers also observed that even those workers that did not have a close friendship before the project are now enjoying a good and close relationship.



The staff, composed by Syrian and Turkish have concluded that it had a positive impact on inter-cultural communication, social cohesion and a peaceful working environment, as well as raising workers' awareness regarding their fundamental labour rights.

## Towards an inclusive workplace for refugees



This is a project designed with local Turkish NGO ASAM (Association for Solidarity with Asylum Seekers and Migrants).

### Goals:

- / To raise awareness at suppliers and factories regarding human rights, refugees' rights and their working conditions.
- / To increase knowledge about refugees' rights, communicate effectively with these workers and generate diverse and inclusive working environments.
- / To empower refugee workers and increase their awareness concerning their rights and responsibilities.
- / To nurture a more socially cohesive working environment.
- / To help refugee workers adapt to their workplace by implementing a holistic and inclusive project.

This year, the project has been implemented at 11 factories with 2,465 workers, involving 64 refugee workers in the discussion groups.

In parallel, one of the most significant results of this project has been the development of a web portal and mobile application called "Communication and inclusion" (CommIn App). This makes the training accessible and enables users to access it offline, as well as creating materials for both workers and management translated into Arabic to help refugees understand it.

The training materials are developed in accordance with the needs identified in the factories. Discussion groups are set up and surveys compiled involving all workers and management. Platform development was completed at the end of 2021 and it is now ready to be launched and implemented over the course of 2022.

## Facilitating equal workspaces and a culture of peaceful living



We started implementing this project in 2021 in collaboration with the Turkish organisation Support to Life and its main aim is to help strengthen the self-management capacities for social cohesion of manufacturers and suppliers in our supply chain in multicultural workplaces. Specifically, it focuses on topics linked to peaceful

coexistence, in addition to devising a roadmap to improve social cohesion by equipping factory management with management tools.

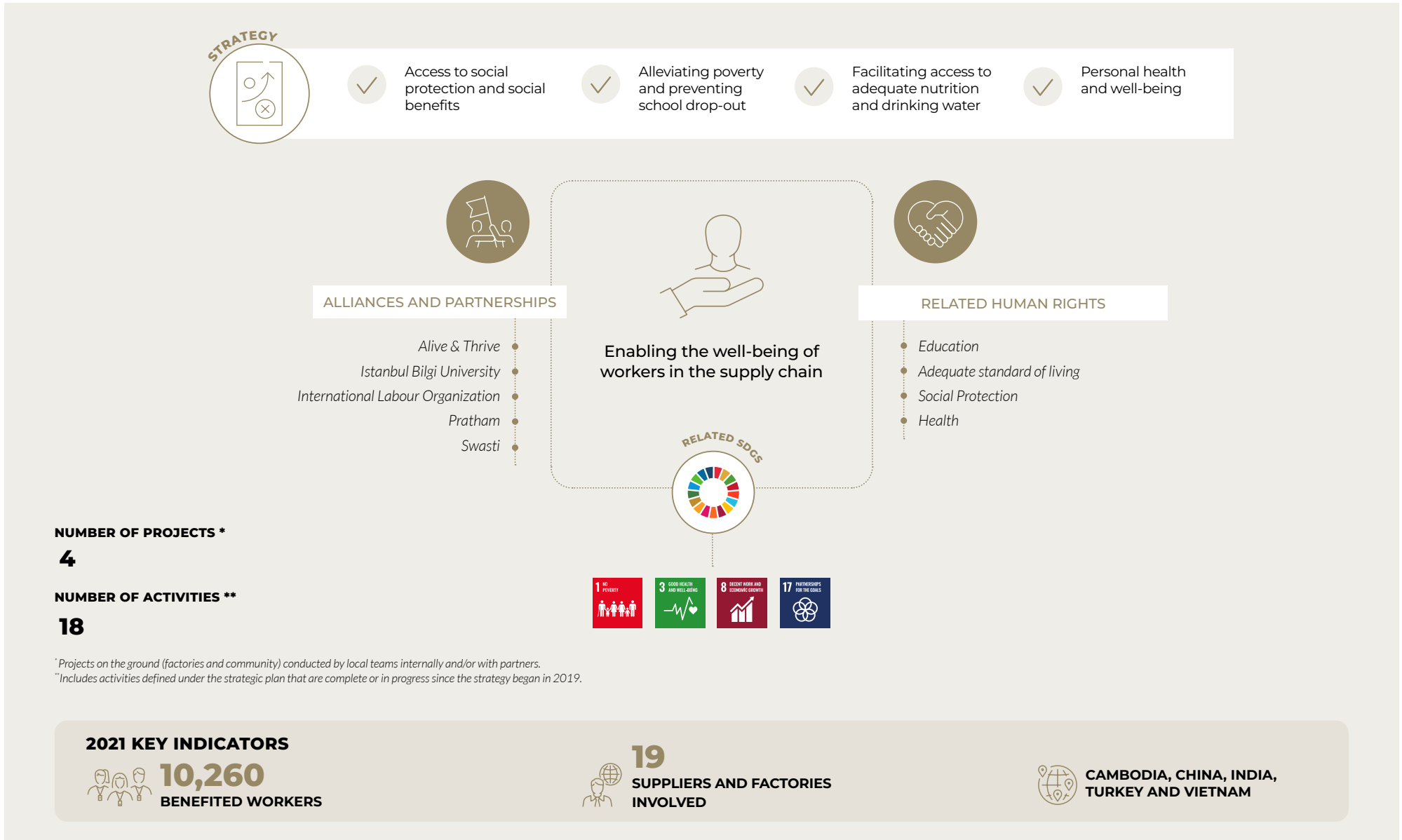
To achieve this, a number of surveys have been developed to understand Turkish and refugee workers' perceptions of their situation, context and integration. A total of 19 factories with 1,776 workers were involved in these surveys, with the participation of 464 workers (77 of whom were refugee workers).

## 5.4.4 2022 outlook

The collaboration and meaningful participation of the various stakeholders with the aim of improving the labour and social conditions of migrant and refugee workers is key to the success of our strategy in this Priority Impact Area and to foster respect for the human rights of the most vulnerable groups of workers in our supply chain. In this regard, it is important to implement the activities planned in accordance with the Priority Impact Area strategy.

In the coming year, we will continue our work along the various strategic lines outlined above by advancing the various programmes and projects, especially those that can be scalable and implemented in other factories in our supply chain to continue to support migrant and refugee workers.

## 5.6 Social protection



## 5.6.1. Context

Social protection is a human right defined as the set of policies and projects designed to reduce and prevent the vulnerability of persons throughout their life. Social protection includes benefits for children and families, maternity, unemployment, occupational accidents, illness, age or disability, as well as health protection. Social protection systems address all these areas through a combination of contributory schemes and tax-financed non-contributory benefits, including social assistance.

Social protection plays a key role in achieving sustainable development, promoting social justice and realising the human right to social security for all. The Sustainable Development Goals (SDGs) reflect countries' commitment to "Implement nationally appropriate social protection systems and measures for all" to reduce and prevent poverty (SDG 1.3). Social protection is also crucial to achieve other SDGs.

Despite the significant progress on extending social protection in many parts of the world, the human right to social security is not yet a reality for most of the global population. According to the ILO, less than half of the global population has effective access to at least one social protection benefit.

Our commitment to the 2030 Agenda encompasses all the SDGs and, accordingly, social protection is a key objective that we are endeavouring to address in our supply chain. Investing in inclusive social protection is good for people, the planet, prosperity, peace and the spirit of global solidarity, strengthening the 2030 Agenda. Inditex advocates social protection so as not to leave anyone behind, especially our supply chain workers.

### THE VOICE OF THE WORKER



**Worker**  
Zhang Jianhong, Sewing and Ironing



**Factory**  
Zhejiang Yitong Knitting Clothing, Co., Ltd.



**Market**  
China



Zhang Jianhong took part in the integration project Ending Long-Distance Parenting for Working Parents that we implement in the Social Protection Priority Impact Area.



Through this project, we aim to use technology to bring working parents in our supply chain closer to their children.

**I have been living away from my family for eight years. I usually stay in touch with them by phone. This programme improved the communication with my son, and enables him to grow happily.**

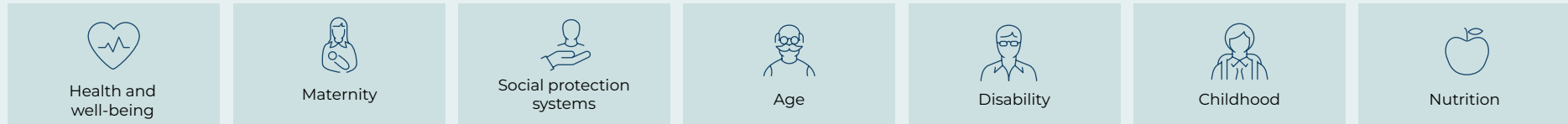
Workers and their families who are not properly protected by a social protection plan became more vulnerable due to the pandemic. Accordingly, it is extremely important that all stakeholders work together to create a more resilient and sustainable social protection system for all.

Within the framework of our work in this Priority Impact Area, we assess and diagnose all the challenges potentially faced by the workers in our supply chain with respect to their social benefits. We identify them using various sources of information so as to devise

strategies that help us to improve the labour and social conditions of these workers, and to generate shared opportunities.



## DUE DILIGENCE IN SOCIAL PROTECTION



The challenges related to workers' social protection are present globally. The first and most important requirement is to identify them.

Some of the tools used to identify these are:

/Discussions at industry level involving global organisations (IndustriALL, UN, ILO, etc.) and other stakeholders

/Analysis of legislative developments concerning social protection

/Monitoring of the evolution and development of national and international policies




/Analysis of supplier countries to understand the local context in connection with social protection.

/ Review of the social audit reports

/Direct interaction with suppliers and factories

/Interaction with workers during factory visits

As a result of the process, we have identified the areas of potential impact and classified them into three levels:

Levels	Risks identified
 <b>Basic needs</b>	/ Health and hygiene / Access to drinking water / Child protection / Adequate housing / Poverty
 <b>Well-being</b>	/ Social security - Maternity protection - Unemployment - Disease - Age / Disability
 <b>Human development</b>	/ Access to education systems / Social equality




The next stage of the due diligence process is to prioritise these potential impacts based on their severity and probability, and to integrate local analysis to identify the geographic area where they are most significant.

Based on these results, and during the process of devising the strategy, the Social Protection Priority Impact Area established the key goals to be addressed to improve workers' lives and a strategy was drafted with specific objectives to meet those challenges.

The strategy is materialised in the form of projects at factories and in communities and the engagement of stakeholders at industry level. The challenges most closely linked to local and cultural practices are generally included in the sphere of projects on the ground. Accordingly, we work with expert partners who have a more in-depth knowledge of the communities and are closely linked to them though their work in these areas. Thus, we develop practical and scalable solutions based on the impact on workers.

The granularity of the analysis and the proximity to workers and their communities helps us to apply due diligence to the reality of the production environments, fostering a continuous review of the needs of beneficiaries and projects, actions and partnerships that result in a positive impact.

## 5.6.2. Impact on dimensions

 WORKPLACE	 WELL-BEING	 INDUSTRY
<p>Our impact consists of ensuring that all the facilities in the supply chain meet the standards that guarantee respect for human and labour rights related to social protection, including access to drinking water, adequate nutrition and being covered by the available social protection mechanisms.</p>	<p>The personal well-being of the workers, along with their communities, is crucial to effect transformative social change. We work in all six dimensions of well-being: emotional, intellectual, spiritual, occupational, social and physical.</p>	<p>The solutions to many of the sector's challenges reside in a joint commitment and the collaboration of all the players involved. We work with various stakeholders to promote the development of adequate protection systems by governments. In this regard, of note is our active involvement in the COVID-19: Action in the Global Garment Industry initiative.</p>

**We propose a structured framework of comprehensive actions that help workers to have a healthy, safe, happy, motivated and productive life. Furthermore, we strive to equip workers to improve their own psychological and physical health, which is certainly conducive to a more thriving employment relationship and helps spread the positive impact even further to include families, communities and society.**

## 5.6.3. Strategic lines of action

### Access to social protection and social benefits

Social security is a set of measures and policies that help all individuals to avoid or to tackle financial difficulties in their lives. Social security is also a human right enshrined in the 1948 Universal Declaration of Human Rights (article 22). This issue cuts across supply chains, regardless of the brand or country in which the orders are produced.

Since countries have a range of different social protection systems and coverages, our commitment involves assessing and improving the social security systems prevailing at our suppliers' factories with a view to developing plans to ensure that all workers have access to social security and other social benefits with the support of the various stakeholders. We are also actively and closely involved with institutions and organisations that are in a position to supplement those plans so as to guarantee employee well-being.

One notable such action is our involvement since 2020 in the COVID-19: Action in the Global Garment Industry initiative. The document governing this initiative was agreed by the International Organisation of Employers (IOE), the International Trade Union Confederation (ITUC) and IndustriALL Global Union, with the technical support of the ILO, and it is geared towards the protection of income, health and jobs of workers in the garment industry to foster the mobilisation of funds from international financial institutions and support the development of social protection systems in the various countries.

Inditex has played a proactive role in the creation of this initiative and, having formally adhered to it, has undertaken, together with another brand, to represent the industry in the international working group created to mobilise resources from international financial institutions and donors, with a view to contributing to sustainable social protection systems.

In 2021, we have continued to pursue the main lines of action of this initiative in countries like Bangladesh, Cambodia, Ethiopia, Haiti, Indonesia and Pakistan:

/ Fostering social dialogue and access to employment and income protection schemes. Exhaustive efforts have focused on accelerating access to loans for companies in the garment industry as well as financial support.

/ Strengthening social protection systems. In May 2021, the working group approved a guide that emphasises governments' primary responsibility to establish social protection systems in consultation with social stakeholders and addresses the appropriate role of companies in a variety of situations. This guide is designed to be a starting point for discussions on each national context.

Thanks to the work in these two spheres, we can draw the following conclusions:

- ✓ Countries must create social protection system available to all and that include unemployment coverage
- ✓ These systems must be solid and must be able to be extended in the event of large-scale critical situations
- ✓ Technical, financial and political support is important, but it cannot replace social protection systems developed at the national level. These systems must reflect a consensus between tripartite stakeholders and be progressively developed through social dialogue
- ✓ Social dialogue and international social security standards must be applied to respond to emergencies and generate the necessary social recovery

## Alleviating poverty and preventing school drop-out

Ending poverty is the first United Nations Sustainable Development Goal. It is the cause of many of the challenges facing societies as it also impacts on economic growth and social cohesion, increasing conflicts and instability.

Another collateral effect of poverty is school dropout. The first major challenge for Inditex in the communities where the workers in our supply chain live is precisely to join in combating these challenges, to the extent possible, by rolling out action plans that help meet United Nations SDG 1, specifically in the area of protecting children.



## Prevention of school dropout



Applied globally throughout the supply chain.

We have developed plans to prevent school dropout. We work with expert organisations such as CYDD (Association for the Support of Contemporary Living) and Istanbul Bilgi University to understand the relevant context and circumstances so as to then engage in dialogue with local authorities and other stakeholders. We also carry out remediation plans to prevent potential cases of employment of people below the allowed age.

As part of the established procedure, suppliers must be responsible for the education of the affected person until the mandatory age, as well as provide work to another family member or pay the equivalent wage of the worker to ensure the family income is not reduced.

## Ending long-Distance Parenting for Working Parents



**3,502**

Benefited workers



China



**12**

Factories and Suppliers involved

Implemented in China since 2019, this project supports mothers and fathers who work far from their children in their remote parenting tasks. Technology—in this case smart watches—is the vehicle that links parents and children to facilitate their communication. In 2021, the project has been implemented in 12 factories, benefiting 3,502 workers.



### GOALS

- ✔ To improve the well-being of parents and their children
- ✔ To strengthen the bond between parents and children
- ✔ To help ease workers' concerns
- ✔ To increase workers' job satisfaction and their trust in management
- ✔ To improve children's psychological and social well-being
- ✔ To improve parents' skills when it comes to meeting their children's developmental needs, as well as protecting them from abuses



### ACTIVITIES IN 2021

- ✔ Surveys are conducted before and after the training to measure its effectiveness and obtain feedback
- ✔ Parental skills training
- ✔ Training on how smartwatches work
- ✔ Follow-up visits to assess the programme worked





## IN DETAIL | Ending Long-Distance Parenting for Working Parents in China

The Zhejiang Yitong Knitting Clothing Co., Ltd. factory, located in the Chinese province of Zhejiang, took part in this project and has a high percentage of internal migrant workers who face a range of challenges and risks having left their cities of origin.



It was observed that this factory has up to 93% domestic migrant workers and that 77% of them have not relocated to their new place of residence with their children. Likewise, 60% can only visit their home to see their children once or twice a year. Moreover, 87% of the participants in the project felt guilty at being separated from their children or not having enough time to look after

them when they live together.

In general, separation between workers and their children causes significant tension in family relationships, the children's development and the parents' well-being, and it has a direct impact on the performance of their daily work.

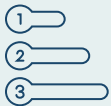


The training sessions provide working parents with the support and tools they need to tackle the challenges of their relationship with their children associated with being separated from them. Goals:

/ To boost the self-esteem of parents and thereby help them to lead a healthier and happier life

/ To understand the rights and needs of children of different ages so as to better communicate with them and be able to provide them with advice and support

/ To improve parents' remote communication skills with children so as to strengthen their relationship



The training has led participants to face up to their beliefs and realise that their well-being is necessary for both their children's development and their own. Moreover, it has underscored the importance of informing and involving children in a family's decisions, since it is crucial to develop a sense of belonging and responsibility towards the family.

Lastly, the training directly supports participants in turning theory into practice, and all the participants reflect on their own interactions with their children and develop a to-do list for parents. Smartwatches were distributed to provide parents with practical tools to increase the frequency of their remote communication with their children aged 4 to 12 years.



More than half of the users concluded that the technology brought them closer to their children, helped them to concentrate better at work as a result of the improvement in their relationship and allowed them to communicate at any time outside working hours.

The post-training survey evidenced a significant change in parents' attitude and their communication with their children. 100% of parents said they would apply the knowledge and methods learned in the training to improve their relationship with their children. These changes increased parents' awareness of the importance of their own personal well-being and led them to take a more pro-active role in raising their children.

## Facilitating access to adequate nutrition and drinking water

In this action line we aim to develop activities and projects that guarantee good nutrition and access to drinking water for the workers in our supply chain, as well as the communities where they live.

Access to drinking water, along with access to nutritional foods, represents a challenge for workers in some countries of our supply chain, in particular for more vulnerable groups, such as women. Achieving this access enables them to enhance their physical and mental health, as well as their economic development, and, therefore, reduces poverty.

## Mothers at work – Breastfeeding-friendly workplaces



Women (who represent a high percentage of workers in the textile industry) are often, and in certain environments, obliged to combine work with childcare. In this regard, it is also worth noting the importance and benefits of breastfeeding for children's development. Inditex has been

collaborating since 2021 with the organisation Alive&Thrive to encourage breastfeeding, benefiting 4,689 workers. This project covers the following areas of work:

- / Space: Access to breastfeeding rooms for working mothers to feed, extract or store their breast milk
- / Time: The adoption of policies that enable women to have paid breaks for breastfeeding
- / Support: Online training for supervisors and workers about the use of breastfeeding rooms

## Personal health and well-being

Health and hygiene are two essential, related and interactive concepts. Health refers to a person's physical and psychological well-being, and covers not only their state of health, but also their having sufficient and adequate resources to live. Hygiene refers to conditions and practices that serve to promote or preserve health. In this regard, at Inditex we promote welfare projects within the action plans related to social protection and which go hand in hand with the actions executed in the Priority Impact Area of Occupational health and safety.

We have identified different challenges in this regard in the different countries of our supply chain and we have started to design and implement projects that address the local needs and contexts, together with expert organisations.

## Happiness for All



In 2019, we teamed up with Swasti to launch a pilot programme which has since benefited more than 7,000 workers. With the aim of improving their welfare and working to extend it to their families and communities, the project provides support, technical backing and training to suppliers to create centres where they can inform workers about the social benefits available in the country and promote their well-being.

This project is currently being implemented at two of our suppliers, benefiting 2,149 workers, and is aimed at reinforcing gender equality, life and relationship skills, adult education, financial inclusion and social protection. The idea is to take a holistic approach to nurture a culture that promotes well-being at workplaces and extends

it to the workers' communities and families. This establishes a natural organic path from the launch of systems and structures for well-being

inside the factories, benefiting workers, and also advancing towards benefiting their families and the wider community.

## SPECIFIC INTERVENTION AREAS

 <p><b>Social Protection</b></p>	<p>/ Using helpdesks to facilitate access to the benefits and services of social protection</p>
 <p><b>Health</b></p>	<p>Strengthening skills in</p> <ul style="list-style-type: none"> <li>/ Preventing and controlling infections at the workplace</li> <li>/ Promoting health practices related to covid-19</li> <li>/ Reinforcing the role of health clinics</li> <li>/ Raising awareness of prevention and personal care</li> </ul>
 <p><b>Prevention and response to gender-based violence</b></p>	<ul style="list-style-type: none"> <li>/ Promoting safety, preventing discrimination and gender violence by establishing effective policies and practices</li> <li>/ Sharing information about the available support mechanisms</li> <li>/ Creating leaders in the field</li> </ul>
 <p><b>Developing positive attitude in the workplace</b></p>	<p>/ Building an environment of care and connection between management and workers, nurturing skills such as empathy</p>

### 5.6.2 2022 outlook

The partnerships and strategies developed over the years are crucial to continue making progress on the strategy. Collaboration with stakeholders, as well as with our suppliers and factory workers, is pivotal to ascertaining their needs. In addition, working in concert with the other Priority Impact Areas and our teams on the ground paves the way to achieve shared goals such as the need for all workers to have social protection systems.

In this regard, going forward we must continue to reinforce the partnerships, progressing on the projects implemented and developing the necessary capacity and tools to scale the projects and initiatives launched over the years so as to reach and benefit as many of our supply chain workers as possible.



## 5.7. Protection of labour rights in the production of raw materials





## 5.2.1. Context

Raw materials are the basis for any product marketed by Inditex.

Therefore, through this Priority Impact Area we aim to obtain a holistic vision and work on identifying the needs of the workers in this part of our supply

chain through the relevant due diligence processes that allow us to ensure that their fundamental rights are respected.

Hence there is a need of identifying and making an in-depth assessment of the production, process

and cultivation of raw materials so as to continue working on adding more sustainable fibres and raw materials, both to comply with our standards and to fulfil the requirements of our stakeholders.

### THE VOICE OF THE WORKER



Mr. Krishna, president of one of the cotton-producer organisations in the province of Telangana



Market India



The producer organisations and cotton workers in the village in Siripuram, in Telagana province, took part in the activities pursuant to the Public-Private Partnership (PPP) between Inditex and the International Labour Organization, within the Protection of Labour Rights in the Production of Raw Materials Priority Impact Area.

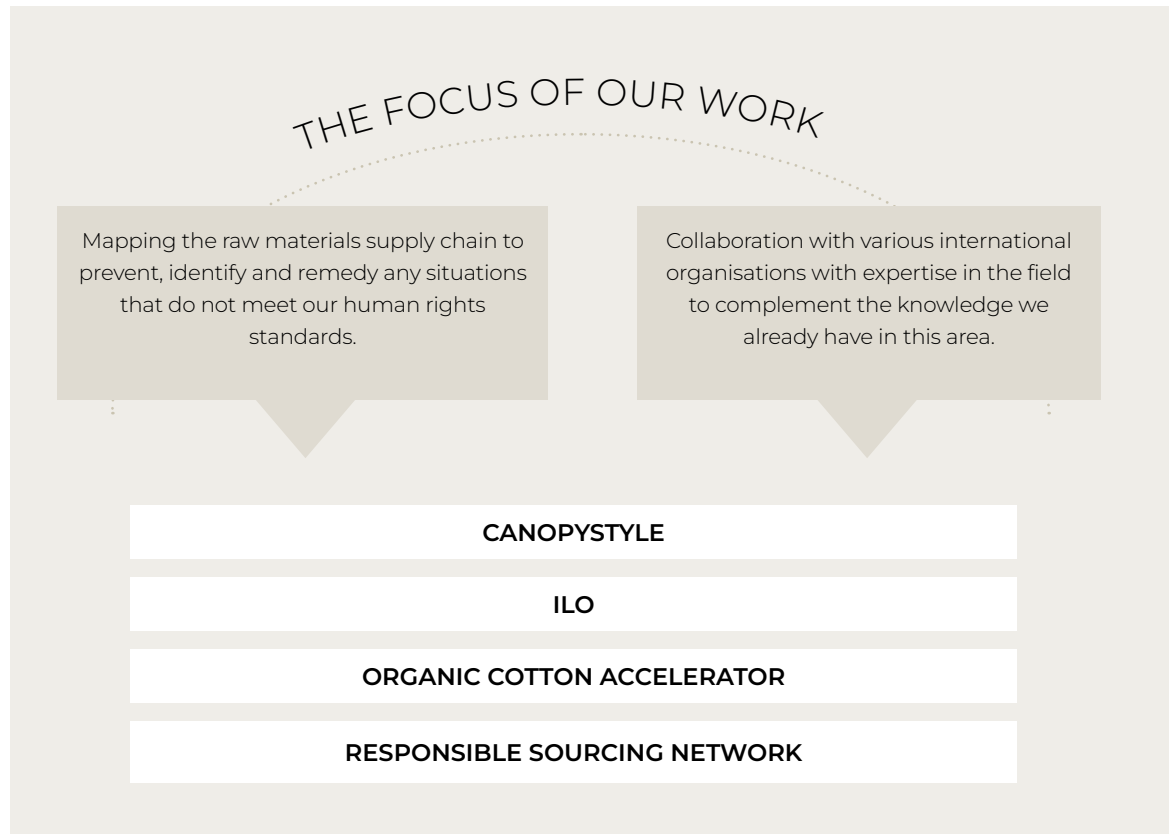


Through the ILO PPP, we approach the cotton-producing communities in India, Pakistan and Mali, and we cooperate with various stakeholders nationally and in the communities themselves.

*After receiving training on Fundamental Principles and Rights at Work, we realised that we should implement and integrate them into the work we perform in our fields to make cotton cultivation sustainable.*

**MR KRISHNA, PRESIDENT OF THE ADARSH FARMER PRODUCER ORGANISATION**

Photographs and testimonial by kind permission of the International Labour Organization.



practices at any link in the textile sector supply chain, and we put the necessary mechanisms to prevent or remedy them into practice.

In 2021, based on our due diligence processes and in collaboration with various organisations, we continued to work to ensure the absence of forced labour – on which we have a zero-tolerance approach – as well as to ensure compliance with international standards and our [Code of Conduct for Manufacturers and Suppliers](#) also in the raw materials supply chain.

Inditex has developed and applies strict policies and actions with the ultimate goal of fostering respect for the human rights of all workers in our supply chain.

Our audit programme, together with the projects and programmes of the Workers at the Centre 2019-2022 social strategy, and our close and permanent partnership with certain stakeholders, such as the Ethical Trading Initiative and the ILO, strengthen our commitment to the prevention of forced labour. In this regard, we remain committed to the process of involvement and dialogue with relevant stakeholders (both local and international) in order to identify opportunities to prevent negative impacts on workers' lives.


Research conducted by experts from international organisations has described the various challenges in connection with upholding labour and fundamental rights, which must be addressed in the supply chain of raw materials at the global level.

Since the production of raw materials and the reality of the workers involved in it is different to that of workers at product factories, it is necessary to take a holistic approach with the collaborative input of

all the relevant players so as to address traceability, due diligence and the commitment to improving the human and labour rights of these workers, and thereby to fulfil our commitments.

In the past years, several reports have been published condemning social practices and breaches in some regions of Asia where Inditex does not operate. At Inditex, we seriously analyse any information related to abusive or inappropriate

## 5.7.2. Impact on dimensions




 WORKPLACE	 WELL-BEING	 INDUSTRY
<p>We work with raw material production facilities by conducting due diligence processes to understand the needs of the workers on site.</p>	<p>We aim to improve knowledge and awareness of the fundamental principles and rights at work in cotton-producing communities in countries such as Pakistan, India and Mali.</p>	<p>We establish partnerships with international organisations like the ILO, through the Public-Private Partnership, or the Responsible Sourcing Network (RSN) under its YESS programme, with the aim of contributing to social dialogue and helping to develop collaborative environments.</p>

## 5.7.3. Strategic lines of action

### Promoting the well-being of workers in the supply chain of raw materials

The conditions of the workers who produce raw materials, such as cotton growers and pickers, present certain particularities compared to those who work in factories. To address their specific needs, we partner with local and international organisations and the communities themselves to boost sustainability in the supply chain. In particular, we work with the International Labour Organization and BSR.

### Public-Private Partnership with the ILO

 <p>India, Pakistan, Mali</p>	 <p>ILO</p>	 <p>23.094 cotton workers benefited in the community</p>
-----------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------

It was signed in 2017 to ensure that the fundamental rights of cotton farmers in communities in India, China, Pakistan and Mali are upheld. In the last few years, awareness and training of cotton workers in India, Pakistan and Mali has been increased through workshops and awareness campaigns, among other activities, benefiting 23.094 of these workers.. We have also involved 967 members and representatives of different stakeholder groups in activities such

as conducting research to better understand the working conditions faced by these workers.

This ongoing commitment and training of both farmers' organisations and farmers has helped cotton growers on the ground not only to start implementing good agricultural practices of sustainable cotton production, but also to increase their incomes as a result of collective bargaining and formalising the negotiation process with their buyers.

## PUBLIC-PRIVATE PARTNERSHIP WITH THE ILO



### India

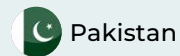
In 2021, we continued to work with the government, social stakeholders, civil society organisations, agricultural production organisations, research institutions, experts and other relevant players so as to inform and train the cotton producing communities concerning the manner in which the Fundamental Principles and Rights at Work help improve livelihoods and impact on achieving decent working conditions, especially for vulnerable communities. The idea is to create scalable models in concert with stakeholders using traceability mechanisms to replicate the project in other geographic areas.

In this regard, the local government organised a two-day training session in October 2021 for 30 public officials of various key levels through the Administrative Staff College of India (ASCI). The local government undertook, among other things, to promote measures to prevent child labour.

Training was also provided to another 725 key players from cotton-producing organisations, approximately 50% of whom were women. Furthermore, an additional approach was made to 5,300 farmers through awareness programmes.

Similarly, given that almost 80% of workers in the cotton sector are women with a low level of education, the project has helped them to understand the need for the right to freedom of association and the existence of

collective bargaining agreements in order to address the challenges they face daily. Awareness projects have been organised in 110 villages, benefiting 5,980 people, approximately 50% of whom were women workers and women farmers.



### Pakistan

In Pakistan, the project has progressed in the direction of increasing awareness of the Fundamental Principles and Rights at Work by means of participation and capacity-building sessions. Beneficiaries are thus empowered with tools and information, so that they can meet their needs in the workplace and in their daily lives, as well as being empowered to negotiate improvements in wages and working hours, among others.

In collaboration with the Employers' Federation of Pakistan (EFP), the Pakistan Workers' Federation (PWF), and the local NGO Sindh Agricultural Forestry Workers and Coordination Organization (SAFWCO), 33 awareness seminars were held on the Fundamental Principles and Rights for cotton-producing communities in different districts. A total of 1,025 participants attended these seminars and trainings. Subsequently, these participants organised orientation sessions for other community members to share their acquired knowledge, benefiting an additional 2,175 cotton workers. In addition, in order to establish meaningful

social dialogue and commitment on the Fundamental Principles and Rights at industry level, with the technical assistance of the ILO and within the framework of the project, the EFP held 3 consultative sessions with the participation of 181 multi-stakeholder representatives with the aim of reaching a common understanding of the challenges and opportunities facing the sector. In parallel, the PWF arranged 2 meetings with the Provincial Assembly with a total of 31 participants to advocate for the amendment of the relevant law regarding the trade union registration process.



### Mali

Progress has continued in the development of various workshops to identify and plan joint activities and different initiatives for a rational and efficient management of resources for the benefit of cotton-producing communities. In addition, a needs assessment was completed of cotton producers' cooperatives on the Fundamental Principles and Rights at Work, with the aim of assessing the situation and needs of those cooperatives in the Sikasso and Kita regions.



## IN DETAIL | Freedom of association and collective bargaining rights in the cotton sector in India

Over the years, workers and small farmers in cotton fields have faced great challenges without their voices being adequately represented in the relevant forums or platforms due to the informality and lack of collectivisation in cotton farming.

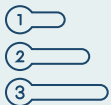


Since almost 80% of the workers in the cotton sector are women with a low level of education, the project has helped them to understand what freedom of association is and what collective bargaining agreements are.



The issue has largely been addressed by key trade union associations and their partners in agricultural activities. Awareness and capacity-building programmes have been organised in 110 villages benefiting 8,614 workers, of whom approximately 50% were women workers and women farmers. Training sessions were held in villages which, among other actions, led to the start of organised activities to

negotiate better working conditions with stakeholders. In addition, leadership development and planning programmes were organised, with notable participation of women.



Thanks to the sessions held in the districts on leadership and planning, there has been a confirmed increase in knowledge of social dialogue and freedom of association and collective bargaining rights.



It has been observed that not only have cotton producers started to implement best practices in organic cotton production, but the market price increased as a result of collective bargaining and the formalisation of negotiation processes with their buyers. This is the result of the increased awareness and continuous training of key

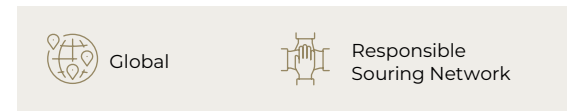
officials, as well as the mobilisation of farmers to join associations and cooperatives, enabling them to participate in social dialogue on better working conditions and in the sector.



## Raising the responsibility on sustainability of all the players in the supply chain

We collaborate with various stakeholders with the aim of achieving sustainable change in the conditions of cotton workers. We have worked hand in hand with the ILO and others in India and Pakistan to increase their engagement and accountability in the cotton supply chain and to implement joint actions that benefit them.

### Yarn Ethically & Sustainably Sourced

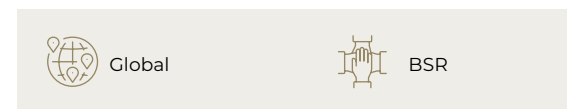


Another clear example of collaboration is with the Responsible Sourcing Network in the YESS (Yarn Ethically & Sustainably Sourced) project. This project focuses on the OECD's approach to risk identification through due diligence and seeks to standardise due diligence processes in order to replicate best practices throughout the industry.

### Creating best practices and recommendations for the raw materials supply chain

We collaborate in global projects to identify impacts and best practices in connection with raw materials, such as the Visible Thread project to design a vision, policy and action plan shared throughout the industry for a more sustainable cotton supply chain.

### The Visible Thread



We collaborate with BSR to gather information on the mechanisms, outcomes and impacts of cotton marketing in order to translate them into commercial commitments and actions. The idea is to connect with potential stakeholders to influence the supply chain, effecting positive

change from the crop fields, and to build a roadmap fostering the conditions conducive to a truly sustainable cotton supply.

In this connection, throughout 2021 the research framework developed has focused on the following goals:

- / To analyse the market through the assessment of global cotton supply chains by identifying both trends and key players or stakeholders at all levels of raw material production
- / To identify the main risks and potential solutions to be activated or promoted for sustainable cotton supply
- / To mobilise identified stakeholders to establish priorities and set a roadmap to achieve a long-term vision

The next phases of the research will highlight the identification of the various market drivers and potential partners in order to help effect positive change.

## 5.7.4 2022 outlook

Considering the complexities of the raw material supply chain and in order to achieve a visible impact on the ground, it is necessary to raise awareness of fundamental human and labour rights, while engaging all relevant stakeholders, such as expert organisations, government, trade unions, workers, farmers and their community, among others.

From the outset of the strategy, we have always seen the need for collaboration with third parties to move forward in this area based on a multidimensional approach. We partner with relevant international expert organisations such as the ILO, through our Public-Private Partnership, in order to disseminate their expertise on human and labour rights, while in parallel, we have advanced in research with BSR to identify potential challenges and relevant future interventions in our supply chain of this type of product, to prevent and mitigate them.

Most of the strategy's activities are progressing according to schedule. For 2022, we are trying to establish and strengthen activities based on the learning we have gained so far. In addition, we are working to be fully aligned with our stakeholders too, so to have a broader reach and generate a positive impact.







# 6. Positive impact

Thanks to the Workers at the Centre 2019-2022 strategy, structured into Priority Impact Areas and materialised through specific projects and plans, we reach out to workers in order to identify their needs and provide them with the tools to fulfil those needs, as well as to improve their working and living conditions. The ultimate goal is to have a positive impact on the workers in the Group's supply chain, in terms of both their professional development and the communities where they live.

- 6.1 Testimonial | 6.2 Towards measuring the impact
- | 6.3 Projects as a tool to generate a positive impact



## 6.1. Testimonial

### Inditex’s social sustainability journey through compliance to impacts

**Dr Rosamund Thomas, Ph.D., M.A. (Cantab.), M. Soc. Sc., Honorary Doctorate 2016, Director Centre for Business and Public Sector Ethics, Cambridge, UK**

Inditex is a business leader in social sustainability, as evidenced by different stakeholders including sustainability indexes and reports.

Inditex’s journey in social sustainability began in earnest in 2001 when the Company became an early subscriber to the newly-established United Nations (UN) Global Compact launched in July 2000.

Inditex, being a global fashion, design, distribution, and retail Company selling its products in more than 200 markets has long recognised its potential to promote Human Rights and Labour Rights in its supply chain. Accordingly, in the same year of 2001, Inditex introduced the Group’s “Code of Conduct for Manufacturers and Suppliers”.

In 2007, with stakeholders including our Centre for Business and Public Sector Ethics, Cambridge, UK (1) and the global union, IndustriALL, a social audit methodology was devised to be applied to Inditex’s



manufacturers and suppliers to verify that the Code is being upheld correctly. As the participant from our Centre, I was hugely impressed by Inditex’s active concern to ensure that, through social audits, its manufacturers and suppliers meet the Code’s provisions, thereby protecting the conditions and rights of its supply chain workers.

Following the social audit and other compliance procedures, next in Inditex’s social sustainability journey is the Company’s emphasis on human rights impacts – both positive and negative. Inditex adopted the UN “Guiding Principles on Business

and Human Rights”, launched in June 2011. Aligning with these “Guiding Principles”, Inditex developed its Human Rights strategy based on the three principal constructs of a Human Rights Policy, approved by the Board of Directors in December 2016; the Due Diligence Process; and the Grievance Mechanisms. The Human Rights due diligence process is a new addition to Inditex’s Human Rights procedures and operates alongside the other due diligence processes within the Company.

Building on useful findings from its social audits and due diligence process, Inditex has designed projects





The “Workers at the Centre 2019-2022” programme also takes into account, and implements, relevant Sustainable Development Goals (SDGs) introduced by the UNz. It is excellent to see a global business like Inditex pursuing vigorously a range of international standards, including the UN Global Compact, the UN “Guiding Principles”, and the Sustainable Development Goals, as well as generating its own well thought out policies, tools, and projects designed to impact positively supply chain workers.

Thus, Inditex’s social sustainability journey through compliance to impacts has been an enlightened one, involving the Company’s Board of Directors; headquarters staff; supply chain managers and workers; external auditors; and the many stakeholders linking with Inditex, including trades unions. I have been privileged, as one of the stakeholders, to accompany Inditex on this journey and it is, of course, an ongoing one.

**Dra. Rosamund Thomas**

to reinforce 7 lines of Human and Labour Rights actions, known as priority impact areas (PIAs). Knowledge collected from the social audits revealed the main challenges each country faced relating to different aspects of the “Code of Conduct for Manufacturers and Suppliers” and enabled Inditex to draw up the 7 PIAs underpinning its “Workers at the Centre 2019-2022” social sustainability initiative which focuses on workers in the supply chain. The significance of the PIAs increased in 2020 by, for example, the support given by Inditex to workers affected by Covid-19 regarding their occupational health and safety.

Overall, from our Cambridge Centre’s viewpoint, I believe that putting workers at the centre, as Inditex is doing, is relevant for a truly sustainable supply chain. The “Workers at the Centre” projects permit positive impacts to be achieved for the Company’s supply chain workers, as well as negative Human Rights impacts to be addressed which have come to attention through the Company’s social audits and Human Rights due diligence process. I commend Inditex for embarking on, and carrying forward, its unique and far-seeing social sustainability journey.



## 6.2. Towards measuring the impact

For Inditex, measuring the impact of our projects and activities is fundamental to gauge the change we generate in the lives of the workers in our supply chain, as well as in the communities where we operate. The results of the measurement can then feed into our strategy and establish a process of continuous improvement, incorporating workers' needs.

Over the years, we have analysed the various existing methodologies together with our main stakeholders with expertise in the field, thus developing the key indicators with which we currently measure the progress of our strategic plan.

Likewise, we are already working on pilot projects that allow us to measure the impact we generate, and in the future we will develop specific methodologies adapted to our supply chain, which provide a robust structure to the projects we develop, and above all give voice to the workers.

### METHODOLOGY

The development of a clear, precise and impact-measuring methodology is essential. We use external tools as well as internally developed protocols, processes and indicators for this purpose. Collaboration and partnerships with expert organisations in this area are vital.

### THE VOICE OF THE WORKER

We apply *ad hoc* tools to assess their needs, understand their context and identify what change is expected. It is important to involve workers throughout the process and especially to listen to them at the end of the project to understand the impact it has had on their living and working conditions.

**We seek to strike the right balance between a methodological aspect and a social and human aspect that consists of listening to workers in order to measure the impact we generate through our projects.**

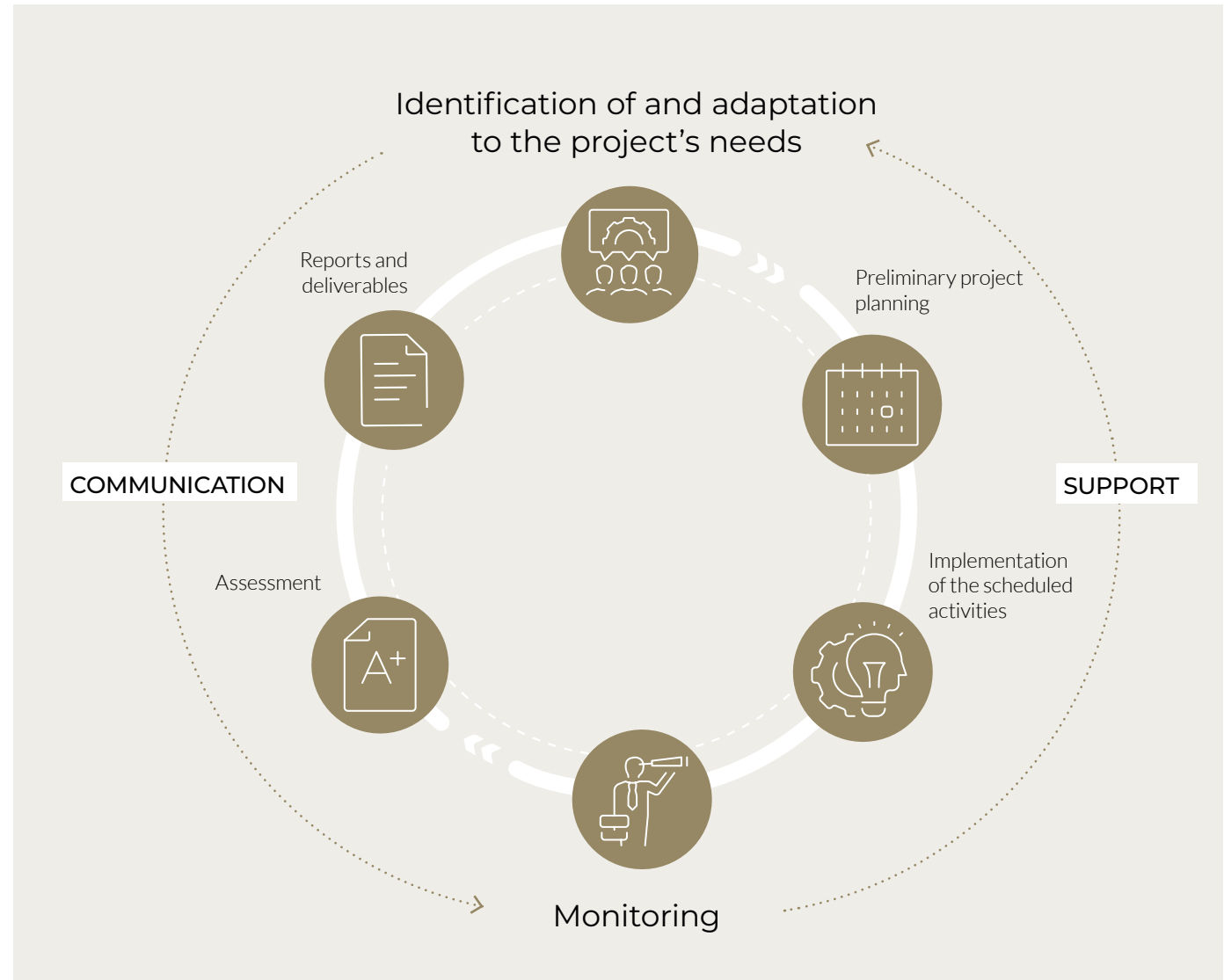


### 6.3. Projects as a tool to generate positive impact

The projects we undertake in the social sustainability team play a key role in achieving transformational results for people in the supply chain and their community. In addition, they help us to gain a deeper understanding of local challenges and needs with regard to specific social sustainability and human rights issues; hence they also help strengthen other lines of work, such as partnerships, policies or procedures.

In this sense, our Project Support Team supports the Priority Impact Area working groups with regard to methodologies and procedures for the design, implementation and monitoring of the various projects. All phases of the project lifecycle are covered transversally and project management is structured to maintain a robust connection between projects and strategy at all levels.

In 2021, we developed 46 projects on the ground, framed within the seven Priority Impact Areas.





## Creation of a new tool for social sustainability project management

Inditex has partnered with the organization threshold.world for the use and development of "a global project design, delivery, and storytelling tool for non-profit and social impact teams". One of the most notable features of this tool and platform is its

impact-oriented structure.

It was launched in October 2021 and since then the members of the social sustainability team have been trained in its use. The training was delivered by the

organisation together with the Project Support Team in order to support the teams' adaptation process.



Social sustainability projects have a human rights-based perspective based on Theory of Change methodology, which describes which achievements, changes and outcomes we hope and seek to achieve for people using logical thinking and the involvement of relevant stakeholders through a sequence of changes including behavioural change.

As most of the challenges we address through the projects are complex and deeply rooted, we need interventions that target behavioural changes in order to target impact-oriented results from the outset.

This work is framed within the monitoring and evaluation tasks that involve the development of key performance indicators that help us in the implementation of the projects, while giving us an understanding of how and to what extent change is happening on the ground and its impact on people's lives.

At the end of all projects, a comprehensive evaluation is carried out and, on that basis, decisions are made on whether to expand the project, fine-tune its design and continue its implementation, or channel resources in another direction.

## THEORY OF CHANGE IN A SOCIAL SUSTAINABILITY PROJECT

Implementation of a project is found to be necessary

### INPUTS

The resources needed to tackle the project are identified



### PROCESS OUTPUTS

Concrete measurable outputs are obtained through the implementation of the activities



### POSITIVE IMPACT

Indicators are developed to measure, not only the outputs, but also the project's impact on workers



### ACTIVITIES

The necessary activities are designed taking into account the available resources and identifying the expected outputs and impacts



### OUTCOMES

An analysis is performed of whether the planned change has been achieved and whether it directly addresses the objectives set at the beginning of the project implementation



This is a process of continuous improvement. Hypotheses are devised throughout the process which, together with the outcomes and changes obtained, feed the process and enable us to establish the right improvements to ensure the greatest positive impact on the workers.

Throughout this report we have described the journey and the work within the framework of Inditex's social sustainability strategy.

The ultimate goal and purpose of our work is to generate a positive impact on the lives of the workers in our supply chain. Thanks to the collaboration with our stakeholders, and the work we carry out transversally with the different areas of the company through the plans and projects implemented on the ground, the strategy aims to reach all Inditex value chain.

The Workers at the Centre 2019-2022 strategy is based on the journey and learning of the last 20 years, in which, using the necessary tools and due diligence processes, and by listening to suppliers, trade unions, as well as to civil, international and non-governmental organisations, among others, we have reaffirmed our commitment to workers and identified those areas in which, due to our business model and industry, we must impact.

In this way, we evaluate and develop projects and activities that allow us to generate positive change on the lives and working conditions of the workers in our supply chain and the communities in which they live.

Looking ahead, we are already continuing to follow these same premises in a process of continuous improvement, and that benefit the advances in measurement techniques that bring us ever closer to the workers, aiming to develop and evolve the current strategy, always with the focus on giving voice to workers.

We want to count with you for this journey. We hear you at [sustainability@inditex.com](mailto:sustainability@inditex.com)














# Annex





## List of alliances and partnerships








Priority Impact Area	Organisation	Countries where we work together	Type of organisation	Type of partnership	Description of the partnership
Gender, diversity and inclusion	 <a href="#">AÇEV</a>	Turkey	NGOs	Local project	Organisation focused on quality childhood education, gender equality, the role of the family in raising the next generation and lifelong learning, all linked to the United Nations Sustainable Development Goals. We work with AÇEV since 2019 on developing women's empowerment programmes in the workplace and raising awareness on gender equality to help create stable environments.
Living wages and Worker participation	 <a href="#">ACT (Action, Collaboration, Transformation)</a>	Cambodia, Myanmar, Turkey and Bangladesh	Global initiative	Adhesion	A collaboration initiative between 19 retail brands, suppliers and trade unions—IndustiALL Global Union—to transform the textile industry and achieve living wages in the sector, by means of collective bargaining and responsible purchasing practices. We are founding members of ACT and we work actively in the countries within its scope.
Occupational health and safety	 <a href="#">AKUT</a>	Turkey	NGOs	Local project	An NGO focused on seismic safety with which we have been working in Turkey since 2019. In 2021, efforts focused on the creation of graphic materials to raise awareness of what an earthquake is, how to prepare or what to do in the event of occurrence.
Social protection	 <a href="#">Alive &amp; Thrive (A&amp;T)</a>	Cambodia and Vietnam	Global initiative	Local project	Global nutrition initiative aimed at saving lives, preventing diseases and ensuring healthy growth and development through nutrition, breastfeeding and complementary eating practices. Our collaboration with the organisation started in 2021 in the "Creating breastfeeding-friendly workplaces" project.

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Gender, diversity and inclusion	 <p><a href="#">Associação Plano i / Centro Gis</a></p>	Portugal	NGOs	Local project	Non-governmental association that seeks to provide concrete responses to a wide range of current social challenges such as inequality, discrimination, violence, exclusion and poverty, through the dissemination of discourses and the implementation of inclusive practices. Associação Plano i aims to develop a shared social project that values people for their specific aspects: their history, journey and culture. Centro Gis (a specific centre run by the association in Porto) provides specialized services to people from the LGBT+ community and their families. We commenced our collaboration in 2021 with the aim of developing projects and activities in the field of diversity and inclusion.
Protection of migrants and refugees	 <p><a href="#">Association for Solidarity with Asylum Seekers and Migrants (ASAM)</a></p>	Turkey	NGOs	Local project	Non-profit organisation focused on generating solutions to the challenges faced by refugees and supporting them in fulfilling their needs. We started the collaboration over the course of 2021 with the aim of promoting social cohesion and an inclusive working environment in our supply chain facilities.
Living wages	 <p><a href="#">Better Than Cash Alliance</a></p>	Global	Global initiative	Adhesion	Based in the UN, this is an alliance of governments, companies and large international organisations that seek to globally promote the transition to a digital economy. We are working with this initiative since 2018 to identify best practices and models that support digital and inclusive payments across supply chains, and to encourage suppliers to provide digital payment solutions to their workers in a responsible way.





Priority Impact Area	Organisation	Countries where we work together	Type of organisation	Type of partnership	Description of the partnership
Worker participation	 <a href="#">Better Work</a>	Bangladesh, Cambodia, Egypt, Indonesia and Vietnam	Local programme	Global agreement	Collaboration between the United Nations International Labour Organisation and the International Finance Corporation, a member of the World Bank Group, which gathers together the industry (international brands, governments, employers and workers) to improve working conditions and respect for labour rights and boost the competitiveness of the businesses in the sector. Inditex has been collaborating with Better Work since 2007 and we have been a Buyer Partner since 2013.
Living wages, Gender, diversity and inclusion and Protection of labour rights in the production of raw materials	 <a href="#">BSR (Business for Social Responsibility)</a>	Global	Private organisation	Collaboration	<p>An organisation that works with a global network of the world's leading companies to build a fair and sustainable world.</p> <p>From a living wage perspective, we work on financial inclusion and the empowerment of workers, especially women workers.</p> <p>With regard to our gender strategy, we work on the development of projects in the area of women's empowerment. In the area of protection of labour rights in the production of raw materials, we have collaborated in the project "The Visible Thread", which aims to identify areas of leadership and innovative business models that go beyond current standards for sustainable global cotton supply chains.</p>
Social protection	Covid-19: Action in the Garment Industry	Global	Global initiative	Adhesion	An initiative aimed at spurring action in the global textile sector to help the industry tackle the economic impact of the Coronavirus pandemic, while protecting the income, health and employment of workers in the industry. This call to action was agreed in 2020 by the International Organisation of Employers (IOE), the International Trade Union Confederation (ITUC) and IndustriALL Global Union together with other international brands, with the technical support of the International Labour Organization (ILO). Inditex belongs to the international working group created for its implementation.






Priority Impact Area	Organisation	Countries where we work together	Type of organisation	Type of partnership	Description of the partnership
Worker participation and Gender, diversity and inclusion	 <a href="#">Ethical Trading Initiative (ETI)</a>	Bangladesh	Global initiative	Adhesion	A dialogue platform to improve working conditions of supply chain workers, comprising companies, international trade unions and non-governmental organisations. Inditex has been a member of Ethical Trading Initiative since 2005, and a member of its Board since 2021, and takes an active part in its programmes in different countries, including, for example, the ETI Social Dialogue Scale Up.
Global collaboration	 <i>Foro Social de la Moda</i>	Spain	National initiative	Adhesion	A joint initiative between tertiary sector organisations, local trade unions affiliated with IndustriALL Global Union (CCOO and UGT) and a number of Spanish textile brands, including Inditex. It aims to promote a forum for multi-stakeholder dialogue on global supply chains.
All Priority Impact Areas	 <a href="#">IndustriALL Global Union</a>	Global	International organisation	Global agreement	<p>An international federation of trade unions representing more than 50 million industrial workers belonging to more than 600 unions in 140 countries. The collaboration with IndustriALL is embodied through the Global Framework Agreement, signed in 2007, the first to cover the entire supply chain of a textile company.</p> <p>The agreement, renewed in 2019, highlights the essential role of respect for freedom of association and collective bargaining rights. We work together on initiatives like Action, Collaboration, Transformation (ACT) and the International Accord.</p>
Occupational health and safety	 <a href="#">International Accord</a>	Global	International organisation	Global agreement	Organisation resulting from the agreement signed in 2021 between brands and international trade unions. We remain committed to this organisation with a view to continuing and expanding the efforts, initiated in Bangladesh in 2013, for a safe and healthy textile industry. The International Accord recognises the RMG Sustainability Council (RSC) as the independent organisation that continues these efforts in Bangladesh. Inditex is a signatory member and sits on the Steering Committee of this organisation.



Priority Impact Area	Organisation	Countries where we work together	Type of organisation	Type of partnership	Description of the partnership
Social protection	 <a href="https://www.ibilgi.edu.tr/">Istanbul Bilgi University</a>	Turkey	University	Local project	We have been working with this Turkish university since 2018 to prevent school dropout through capacity-building at the local level and developing dialogue with local authorities and other stakeholders.
Gender, diversity and inclusion and Occupational health and safety	 <a href="https://www.medicusmundi.org/">Medicus Mundi</a>	Morocco	NGOs	Local project	An association that works to realise the right to health worldwide and to build a global citizenry that is committed, informed and educated in the exercise of its rights, especially the right to health. We work together in Morocco, developing projects and activities related to women's protection and health.
Occupational health and safety	 <a href="https://www.nscindia.org/">National Safety Council</a>	India	Government agency	Collaboration	National occupational health and safety authority in India. At Inditex we facilitate access to the E-Learning Course - Industrial Safety for the personnel responsible for this field at our suppliers.
Global collaboration	 <a href="https://www.ilo.org/">International Labour Organization (ILO)</a>	Global	International organisation	Global agreement	A specialist UN body focusing on all matters relating to work and labour relations. We work closely with the organisation in a number of areas, such as through our collaboration with the Better Work programme, the SCORE programme which aims to improve productivity and working conditions with the resulting impact on wages, the Workplace Adaptation Programme which offers support to migrants and refugees in adapting to work, and the COVID-19: Call to Action in the Global Garment Industry initiative with a focus on income protection, health and employment. In 2017 we entered in a Public-Private Partnership with the ILO aimed at jointly promoting core principles and labour rights in the cotton supply chain.
Global collaboration	 <a href="https://www.unglobalcompact.org/">The United Nations Global Compact</a>	Global	Global initiative	Adhesion	A United Nations initiative that encourages social dialogue between companies and civil society. Inditex signed up in October 2001 and actively participates in various working platforms alongside other stakeholders, such as the Action Platform on Decent Work in Global Supply Chains.

Priority Impact Area	Organisation	Countries where we work together	Type of organisation	Type of partnership	Description of the partnership
Social protection	 <p><b>Pratham</b> <a href="#">Pratham</a></p>	India	NGOs	Local project	An NGO specialising in securing equal opportunities for all children. They work to reduce the vulnerability and exploitative conditions that children may face. In 2013 Inditex formalised its collaboration through the implementation of remediation plans to prevent school dropout, as well as projects such as Sankalp.
Protection of migrants and refugees	 <p><b>MUDEM</b> <a href="#">Refugee Support Center (MUDEM)</a></p>	Turkey	NGOs	Local project	A non-profit organisation with which we have worked to implement remediation plans for refugees and migrants. The remediation plans have been carried out since 2015 in cooperation with them after Turkey received a large wave of migration from Syria. In any case, not only Syrian refugees are covered by this remediation plans, as it also applies to migrant workers from third countries who are involved in discrimination cases.
Protection of labour rights in the production of raw materials	 <p><b>RESPONSIBLE sourcing network</b> <a href="#">Responsible Sourcing Network (RSN)</a></p>	Global	NGOs	Collaboration	A non-governmental organisation with which we collaborate in the YESS (Yarn Ethically & Sustainably Sourced) initiative to promote the elimination of any form of modern slavery from cotton production and to encourage the use of ethical and sustainable cotton. Inditex began its collaboration with YESS in 2020 and has continued to work with them during 2021 with the aim of identifying relevant areas to focus on.
Occupational health and safety	 <p><b>RSC</b> RMG SUSTAINABILITY COUNCIL <a href="#">RMG Sustainability Council</a></p>	Bangladesh	Global agreement	Adhesion	Bangladeshi organisation continuing the building safety inspection and remediation programmes in production facilities inherited from the Accord in 2020. Textile brands, trade union federations and employers' associations in the country are represented equally on its Board. Inditex works actively with its suppliers and manufacturers in the aforementioned programmes, and serves on the Board of Directors.
Global collaboration	 <p><b>Shift</b> <a href="#">SHIFT</a></p>	Global	NGOs	Collaboration	A non-profit organisation specialising in Human Rights. Inditex takes part in its Business Learning Programme for leadership in Human Rights that involves companies from all sectors in efforts to implement the Guiding Principles.

Priority Impact Area	Organisation	Countries where we work together	Type of organisation	Type of partnership	Description of the partnership
Gender, diversity and inclusion and Protection of migrant and refugees	 <a href="#">Social Awareness and Voluntary Education (SAVE)</a>	India	NGOs	Local project	Charity organisation whose mission is to empower individuals, families, communities and society with the skills and capabilities to lead better lives. We have been collaborating with this non-profit organisation since 2013 in the Sowbhagyam project, which is developed in Tamil Nadu (India) and whose main objective is to educate potential workers in the communities about labour rights and the importance of education, among other topics.
Worker participation	 <a href="#">Smart Myanmar</a>	Myanmar	NGOs	Local project	A non-governmental organisation geared to improving working conditions and promoting labour and environmental standards in Myanmar's textile and garment industry. We currently collaborate with them at industry level and we have been part of their Workplace Communication and Dialogue programme during 2020 and 2021.
Gender, diversity and inclusion and Occupational health and safety	 <a href="#">St. John's Medical College</a>	India	Private organisation	Local project	A medical school established in Bangalore (India) in 1963 to train medical staff committed to serving the most disadvantaged. It is our partner in occupational health through collaborations in the development of training content and support material related to mental health, as well as in the Sakhi project under the Priority Impact Area of Gender, Diversity and Inclusion.
Protection of migrants and refugees	 <a href="#">Support to Life (STL)</a>	Turkey	NGOs	Local project	A non-profit organisation whose aim is to support refugees in fulfilling their basic needs, since 2021. We work to promote equitable workplaces and a culture of cohesion in the factories in Turkey.

Priority Impact Area	Organisation	Countries where we work together	Type of organisation	Type of partnership	Description of the partnership
Social protection	 <a href="#">Swasti</a>	India	NGOs	Local project	Non-profit organisation established in 2003 with a focus on achieving public health outcomes for socially excluded groups. They provide comprehensive solutions combining research and practical initiatives. We collaborate in the Happiness for All programme in India with the aim of promoting employee well-being.
Gender, diversity and inclusion	 <a href="#">The International Center for Research on Women (ICRW)</a>	Global	NGOs	Collaboration	Non-governmental organisation whose research identifies the obstacles that prevent women from being economically strong and able to participate fully in society in certain contexts. ICRW translates this knowledge into action to promote respect for women's human rights, ensuring gender equality and creating the right conditions for all women to thrive. We collaborate with them in the implementation of the self-diagnostic tool they have developed, which our suppliers can use to assess gender equality.
Gender, diversity and inclusion	 <a href="#">UN Foundation</a>	Global	International organisation	Collaboration	A UN strategic partner that combines the ideas, people and resources needed to drive global progress and address urgent problems. Its hallmark is collaborating for lasting change and innovation to address humanity's greatest challenges. We collaborate on gender matters.
Protection of migrants and refugees	 <a href="#">United Work (UW)</a>	Turkey	NGOs	Local project	A non-governmental organisation with which we have been working since 2018 on training plans for refugees in connection with their fundamental rights. We work together developing awareness sessions focused on strengthening the integration of refugee workers in factories.
Living wages	 <a href="#">Universidade do Minho</a>	Portugal	University	Local project	A Portuguese higher education institution with which we collaborate in the implementation of the LEAN project, which aims to improve working methods that benefit workers in the supply chain and therefore positively impact their wages.



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