

## Supporting efforts for a higher minimum wage for RMG workers in Bangladesh

Arteixo (A Coruña), Spain, 11<sup>th</sup> September 2023

Regarding the current dialogue for a higher minimum wage in Bangladesh, we believe that a fair and negotiated minimum wage that takes into account the collective demands of workers through their legitimate unions is fundamental. In this sense, we sincerely support the RMG Minimum Wage Board to reach a consensus that allows the setting of a Minimum Wage in Bangladesh which covers the living costs for workers and their families.

We have been working with National Constituents in Bangladesh in recent years through the ACT initiative to ensure a social dialogue platform. This has formed the basis of different success stories that have contributed to the development of trust among parties such as the Interim Dispute Resolution Mechanism. Through this mechanism brands, employers and IndustriALL affiliates cooperate to solve any type of potential dispute that may arise in the sector.

### Commitment to long-term sourcing

We understand the relationship with our suppliers as a process of continuous support and collaboration in the long term. We work in clusters, which are spaces for dialogue and cooperation with the main actors in the industry, such as unions, employers, administrations and NGOs, among others. Bangladesh is one of our key sourcing clusters, and will remain so.

Through our clusters, we foster cooperation in order to promote a sustainable production environment to facilitate the development of Inditex's business model, framed by strict compliance with fundamental human and labour rights. As such, our purchasing and sustainability teams in Bangladesh – as in all our clusters – continue to show our suppliers clear support for a living wage for all the workers in our supply chain.

As an example of this commitment to Bangladesh, Inditex became one of the first signatories in 2013 of the legally binding Bangladesh Accord on Fire and Building Safety (ACCORD) and of subsequent renewals of this relevant agreement in the industry. Details of our commitment to long-term sourcing from Bangladesh are publicly available in the [2018 Accord on Fire and Building Safety in Bangladesh - article 18](#).

# INDITEX

## Fostering responsible purchasing practices

Inditex works with sourcing teams and the main actors in the RMG sector to ensure that purchasing practices are adapted and supports long-term partnerships and relationships with manufacturers that facilitate the payment of a living wage.

In this sense, we would like to draw your attention to the ACT Labour Costing Principle which is core to the ACT Labour costing protocol and where ACT Brands, and therefore Inditex, committed among other aspects to “conduct labour costings in line with predicted wage increases as soon as the information becomes available or, where exact data is not available, the best estimate of an expected wage increase, and to incorporate this into purchasing prices”.

## Freedom of Association

Freedom of Association is at the core of the Global Framework Agreement that Inditex signed with IndustriALL Global Union in 2007. We consider that Freedom of Association, along with respect for the right of collective bargaining, are critical rights of workers and we are fully committed to ensure they are protected and promoted within our supply chain.

In consequence, we would like to highlight that at Inditex we have always condemned any attempts to undermine the right of Freedom of Association and in consequence any type of retaliation against workers and their legitimate representatives.