industriall global union

INDITEX

GLOBAL FRAMEWORK AGREEMENT

November 13th, 2019

INTRODUCTION

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

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

PREAMBLE:

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

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

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

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

The Agreement is concluded between Inditex and IndustriALL.

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

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

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

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

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

INTERNATIONAL LABOUR STANDARDS & CONVENTIONS

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

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

entire supply chain, regardless of whether they are directly employed by Inditex or by its l manufacturers and suppliers.

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

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

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

IMPLEMENTATION

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

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

to the Committee, in case any request from their members and whenever it is understood necessary by the Coordination of the Agreement (hereinafter "Coordination").

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

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

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

ACCESS TO INDITEX SUPPLIERS

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

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

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

RESOLUTION OF POTENTIAL BREACHES OF THE AGREEMENT

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

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

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

CAPACITY BUILDING PROGRAMS

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

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

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

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

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

GENERAL

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

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

INTERPRETATION

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

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

Inditex S.A.	**IndustriALL Global Union**
Mr. Pablo Isla	**Mr. Valter Sanches**

ANNEX I

Inditex Code of Conduct for Manufacturers and Suppliers

Introduction

The Inditex Code of Conduct for Manufacturers and Suppliers (hereinafter, the Code) defines minimum standards of ethical and responsible behaviour which must be met by the manufacturers and suppliers of the products commercialized by Inditex in the course of its business, in line with the corporate culture of Inditex Group (hereinafter Inditex), firmly based on the respect for Human and Labour Rights.

Inditex undertakes to allocate the appropriate resources so that manufacturers and suppliers are acquainted with and understand this Code and are able to ensure its compliance.

The Code shall be applied to all manufacturers and suppliers that take part in the purchasing, manufacturing and finishing processes and fosters and is based upon the following general principles that define Inditex's ethical behaviour:

- All Inditex's operations are developed under an ethical and responsible perspective.
- All persons, individuals or entities, who maintain, directly or indirectly, any kind of employment, economic, social and/or industrial relationship with Inditex, are treated fairly and with dignity.
- All Inditex's activities are carried out in a manner that most respects the environment.
- All manufacturers and suppliers (production centres that are not property of Inditex) fully adhere to these commitments and undertake to ensure that the standards which are set forth in the Code are met.

1. No forced labour

Inditex shall not allow any form of forced or involuntary labour in their manufacturers and suppliers. They may not require their employees to make any kind of "deposits", nor are they entitled to retain employees' identity documents.

Manufacturers shall acknowledge the right of their employees to leave their employer after reasonable notice[1].

[1] Aspects related to such limitations will be governed by Conventions 29 and 105 of International Labour Organization (ILO)

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2. No child labour

Manufacturers and suppliers shall not employ minors. Inditex defines minors as those persons who have not yet reached their 16th birthday. In cases where local legislation stipulates a higher minimum age, the higher limit shall apply.[2]

Persons with the ages between of 16 and 18 years will be considered young workers. Young workers shall not work during night hours or in hazardous conditions.[3]

3. No discrimination

Manufacturers and suppliers shall not apply any type of discriminatory practice with regards the recruitment, compensation, access to training, promotion, termination of the employment agreement or retirement, based on race, caste, creed, nationality, religion, age, physical or mental disability, gender, marital status, sexual orientation and/or union membership or political affiliation[4].

5. Respect for freedom of association and collective bargaining

Manufacturers and suppliers shall ensure that their employees, without distinction, have the right of association, union membership and collective bargaining. No retaliation may arise from the exercise of such right and no remuneration or payment whatsoever may be offered to the employees in order to hinder the exercise of such a right. Likewise, they shall adopt an open and collaborative attitude towards the activities of Trade Unions.

Workers' representatives shall be protected from any type of discrimination and shall be free to carry out their representative functions in their workplace.

Where the rights to Freedom of Association and Collective Bargaining are restricted under law, the appropriate channels to ensure a reasonable and independent exercise of such rights must be designed[5].

6. No harsh or inhumane treatment

Manufacturers and suppliers shall treat their employees with dignity and respect. Under no circumstances shall physical punishment, sexual or racial harassment, verbal or power abuse or any other form of harassment or intimidation be permitted.

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[2] Aspects related to prohibition of child labour will be developed according to Conventions 138 and 182 of the International Labour Organization (ILO)
[3] Aspects related to labour conditions for young workers will be governed by ILO Recommendation 190.
[4] Aspects related to labour practices will be developed according to ILO Convention 111.
[5] Aspects related to freedom of association and collective bargaining will be developed according to ILO Conventions 87, 98 and 135.

7. Safe and hygienic working conditions

Manufacturers and suppliers shall provide a safe and healthy workplace to their employees, ensuring minimum conditions of light, ventilation, hygiene, fire prevention, safety measures and access to a drinking water supply.

Workers shall have access to clean toilets facilities and drinking water. Where necessary, facilities for food storage shall be provided.

Accommodation, where provided, shall be clean and safe.

Manufacturers and suppliers shall take the required steps to prevent accidents and injuries to health of their workers, by minimizing as much as possible the risks inherent to work.

Manufacturers and suppliers shall provide their workers with regular training in the matter of health and safety at work. The company shall keep an appropriate record of the training courses done. Likewise, they shall appoint a person in charge of health and safety within the Management, duly authorized and with the appropriate decision taking power[6].

8. Wages are paid

Manufacturers and suppliers shall ensure that wages paid meet at least the minimum legal or collective bargain agreement, should this latter be higher. In any event, wages should always be enough to meet at least the basic needs of workers and their families and any other which might be considered as reasonable additional needs.

Manufacturers and suppliers shall not make any withholdings and/or deductions from wages for disciplinary purposes, nor for any reasons other than those provided in the applicable regulations, without the express authorization of workers. Likewise, they shall provide all workers with: written and understandable information about their wages conditions upon their recruitment, and detailed information about the particulars of their wages every time that these are paid.

Manufacturers and suppliers shall also ensure that wages and any other allowances or benefits are paid on time and are rendered in full compliance with all applicable laws and specifically, that payments are made in the manner that best suits the workers[7].

9. Working hours are not excessive

Manufacturers and suppliers shall adjust the length of the working day to the provisions of the applicable laws or of the collective bargain agreement applicable for the sector in question, if the latter affords greater protection for the workers.

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[6] Aspects related to labour conditions relation to work health and safety will be governed by ILO Convention 155.

[7] Aspects related to payment of wages will be governed by ILO Conventions 26 and 131.

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Manufacturers and suppliers shall not require their employees to work, as a rule of thumb, in excess of 48 hours a week and workers shall be granted at least one day off for every 7 calendar day period on average.

Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate, pursuant to the provisions of the prevailing regulations in force[8].

10. Regular employment

Manufacturers and suppliers undertake that all the employment formulas they use are part of the applicable local laws. Thus, they shall not impair the rights of workers acknowledged under labour and social security laws and regulations by using schemes that have no real intention to promote regular employment in the framework of regular employment relationships.

11. Traceability of production

Manufacturers and suppliers shall not assign any work to third parties without the prior written authorization of Inditex. Those who outsource any work shall be responsible for the enforcement of the Code by these third parties and their employees.

Likewise, manufacturers and suppliers shall apply the principles of this Code to any homeworker involved in their supply chain, and shall give transparency to the locations and working conditions of said homeworkers.

12. Health and Safety of products

Manufacturers and suppliers are responsible for all products supplied to Inditex to comply with Inditex health and safety product standards so that the commercialized products do not entail any risk to customers.

13. Environmental awareness

Manufacturers and suppliers shall be duly committed at all times to protect the environment and shall comply with the standards and requirements of the applicable local and international Laws and Regulations.

Likewise, they commit to comply with environmental standards established by Inditex including, if applicable, the necessary measures to reduce and compensate such impact in order to apply said standards.

[8] Working day related issued will be governed by ILO Conventions 1 and 14.

14. Confidentiality of information

Manufacturers and suppliers shall preserve the integrity and confidentiality of the information they may receive as a consequence of their commercial relationship with Inditex.

The obligation of confidentiality will remain once the relation with Inditex is terminated and it will include the obligation to return any material related to the company held by the manufacturer or supplier.

15. Code implementation

Manufacturers and suppliers shall implement and maintain programmes to set in motion this Code. They shall appoint a senior member of Management who shall be responsible for the implementation and enforcement of this Code.

Manufacturers and suppliers shall communicate the Code to all employees and those in any way involved in the Inditex Supply Chain.

A copy of the Code, translated into the local language, shall be displayed in accessible locations to all workers.

15.1 Transparency

Manufacturers and suppliers shall carry out their activities in an honest, upright and transparent way, keeping for these purposes an appropriate accounting records system that facilitates the traceability of their decisions, as a preventive measure versus any type of corruption, bribe and extortion that might arise.

Manufacturers and suppliers shall not offer, grant, request or accept any gifts or donations to/from Inditex buyers which might infringe the provisions of the "Inditex Code of Conduct and Responsible Practices".

Manufacturers and suppliers shall not manipulate or influence their workers, nor shall they forge any files or records in order to alter the verification process regarding compliance with this Code.

Manufacturers and suppliers shall neither offer nor accept remuneration of any kind which seeks, or may be perceived to seek, to affect the impartial judgment or the objectivity of such parties appointed by Inditex to carry out inspections and compliance audits in connection with this Code.

15.2 Reference to national legislation, Conventions and Agreements.

The provisions of this Code constitute only minimum standards.

Should national regulations or any other applicable Law or any other commitments undertaken or applicable, including collective bargaining agreements, govern the same issue, the provision which offers greater protection for workers shall apply.

Inditex assumes, as part of its internal norms, the content of national and international Agreements and Conventions to which it has adhered, and that they are applied in its relationship with manufacturers and suppliers, committing to their promotion and compliance.

15.3 Verification of compliance

Manufacturers and suppliers shall authorize Inditex and/or any third parties the former might appoint, to monitor the appropriate enforcement of the Code. For these purposes, they shall provide the required means and the appropriate access to the facilities and documentation required to ensure this verification.

15.4 Committee of Ethics and Whistleblowing Channel

This Code is aligned with the principles and values that are included in the Inditex Code of Conduct and Responsible Practices, which regulates a Committee of Ethics and Whistleblowing Channel to ensure its enforcement.

In this sense, and in order to ensure the enforcement of the Code of Conduct for Manufacturers and Suppliers, the Committee of Ethics can act at its own initiative or following a formal complaint made in good faith by a manufacturer, supplier or other interested third party that might have any direct relationship or commercial or professional interest with Inditex.

To this end, any notices given pursuant to the provisions of this Code, either reports of any breach or enquiries regarding the Code's interpretation or application can be addressed directly to the Committee of Ethics via:

- Post: Avenida de la Diputación, Edificio Inditex, 15142 Arteixo, A Coruña (Spain), Att: Committee of Ethics
- Email: comitedeetica@inditex.com
- Fax: +34 981 186211.

ANNEX II

Global Union Committee composition

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

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

Africa (1)

-Morocco, Tunisia, Egipt

America (1)

-Argentina, Brasil, Mexico

Asia (4)

-Vietnam, Indonesia

-Cambodia, Myanmar

-Bangladesh, Pakistan

-India, Sri Lanka

Western Europe (2)

-Spain and rest of Western Europe countries

Eastern Europe (1)

-Turkey and rest of Eastern Europe countries

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