

Wed, Dec 16, 2020

Dear Steering Committee

Inditex has not lobbied (neither itself nor through any trade association that the Group is part) against any legislation in the United States Congress, either via own employees or through lobbyist firms, nor advocating for any alteration of any legislation passed by the House of Representatives of the United States. Also Inditex has not engaged in any communication with any Member of the United States Congress, or any committee staff concerning the Uyghur Forced Labour Prevention Act.

Inditex has a strong compliance framework. All of our suppliers and manufacturers are required to comply with our stringent Code of Conduct for Suppliers and Manufacturers (Code of Conduct) in order to be part of our supply chain which explicitly outlaws all forms of forced or involuntary labour. Inditex regularly conducts detailed and robust due diligence and monitoring of all the value chain to ensure that none of them are directly or indirectly engaged in labour rights abuses. The Compliance Function is responsible for setting the internal regulations and appropriate and sufficient processes to ensure that the Inditex Group will conduct its business in accordance with applicable laws and regulations, and with its internal regulations promoting an ethical compliance culture among its directors, employees, suppliers and other third parties.

In order to promoting respect for human rights within our company and value chain Inditex has developed its own Human Rights Strategy within the framework of the Guiding Principles on Business and Human Rights, approved in 2011 by the United Nations Human Rights Council. This Strategy comprises three elements: (i) Policy on Human Rights; (ii) Due Diligence; and (iii) Grievance Mechanisms.

i. Policy on Human Rights

Inditex has zero tolerance for any Human Rights violation across the entire value chain of its business, including any form of forced labour. According to the Inditex's Policy on Human Rights, "Inditex undertakes to play an active role in the promotion of Human Rights, and to work proactively to respect them. This commitment entails preventing or, if appropriate, reducing the negative consequences of its own proceedings on Human Rights. Likewise, it shall do its utmost to prevent or reduce the negative consequences on Human Rights directly related to the proceedings of third parties with whom the Group is engaged in a business relationship." In particular, "Inditex rejects any form of forced or compulsory labour, as defined in ILO Convention 29. This extends both to its own employees and its entire supply chain, as well as to any natural and/or legal person related to Inditex." In this regard, Inditex joined UN Global Compact in 2001, and adhered to its principle 4, according to which, businesses should uphold the elimination of all forms of forced and compulsory work or work done under coercion.

Furthermore, the Sustainability Policy of the Group states that Inditex undertakes to abide by the following principle and enforce it on its value chain: “Complying with applicable labour, environmental and Human Rights laws and regulations relating to its business activities, as well as with other obligations which may be established, including those that the Company undertakes of its own accord.” In particular, the “Inditex Group is strongly committed to promoting and respecting Human Rights, as is reflected in its Policy on Human Rights. In the framework of the United Nations Guiding Principles on Business and Human Rights, the Group acknowledges that respect for Human Rights is essential and key in terms of sustainable development and seeks to play a key role in promoting them and work proactively to respect them.”

ii. **Due Diligence**

This process entails the identification and prioritisation of potential impacts on Human Rights throughout the value chain of Inditex, as well as ongoing due diligence in order to continue to protect and uphold human rights. This latter work is complemented and enriched by the supply chain monitoring carried out to ensure compliance with our Code of Conduct, which explicitly prohibits slavery, forced labour and human trafficking and is further complemented by applicable national laws and international standards. These measures are applied throughout the entire supply chain, including all tiers and processes, and therefore provide relevant insights on the supply chain reality, its main challenges and areas requiring improvement, that in turn provide feedback to the due diligence process itself. Inditex implements this through three main actions: traceability, compliance assessment and remediation and continuous improvement.

This due diligence informs our social sustainability strategy for the responsible management of the supply chain, which is contained in our “*2019-2022 Workers at the Centre*” strategy, four areas which specifically focus on the prevention of forced or involuntary labour. This strategy is implemented through: protection of migrants, women’s empowerment, social protection and protection of workers’ rights in the production of raw materials.

iii. **Grievance Mechanisms**

Inditex has an Ethics Line which is managed by the Committee of Ethics and is the main grievance mechanism of the Group. Inditex’s Ethics Line is available to any employee, manufacturer, supplier or third party and can be used anonymously. It can be used to report any concerns about wrongdoing or malpractice relating to breaches of the Group’s Codes and internal regulations of conduct by employees, manufacturers, suppliers or third parties with whom Inditex is engaged in an employment, business or direct professional relationship. The Committee of Ethics is responsible for launching any necessary investigation, and for proposing the relevant remediation, prevention and awareness-raising measures. The Ethics Line works on the basis of the following principles: confidentiality and non-retaliation, presumption of innocence and the right to be heard.

As explained above, Inditex complies with and enforces applicable law in its operations and in all its value chain. Furthermore, Inditex yearly discloses a statement which summarizes its efforts in the context of its commitment to the UN Guiding Principles on Business and Human Rights and in line with the requirements of transparency pursuant to Section 54 of the UK Act on Modern Slavery, Section 14 of the Australia Modern Slavery Act and the California Transparency in Supply Chains Act 2010 (SB-657).

Thank you for your interest and should you need more information please visit <https://www.inditex.com/en/our-commitment-to-people/our-suppliers>

Sincerely,

Inditex Sustainability Department