

**Company Name** Industria de Diseño Textil (Inditex)  
**Industry** Apparel (Supply Chain only)  
**UNGP Core Score (\*)** 17.5 out of 26

| Score   | Out of    | For indicators   |
|---|-----------|--|
| <b>Governance and Policy Commitments</b>                |           |  |
| 2   | 2         | A.1.1 Commitment to respect human rights   |
| 2   | 2         | A.1.2 Commitment to respect the human rights of workers  |
| 2   | 2         | A.1.4 Commitment to engage with stakeholders   |
| 0.5   | 2         | A.1.5 Commitment to remedy   |
| <b>Embedding respect and Human Rights Due Diligence</b> |           |  |
| Embedding respect                                       |           |  |
| 2   | 2         | B.1.1 Embedding - Responsibility and resources for day-to-day human rights functions                                       |
| Human Rights Due Diligence (HRDD)                       |           |  |
| 0.5   | 2         | B.2.1 HRDD - Identifying: Processes and triggers for identifying human rights risks and impacts                            |
| 1   | 2         | B.2.2 HRDD - Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)                  |
| 2   | 2         | B.2.3 HRDD - Integrating and Acting: Integrating assessment findings internally and taking appropriate action              |
| 1   | 2         | B.2.4 HRDD - Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts |
| 0.5   | 2         | B.2.5 HRDD - Reporting: Accounting for how human rights impacts are addressed  |
| <b>Remedies and Grievance Mechanisms</b>                |           |  |
| 1.5   | 2         | C.1 Grievance channels/mechanisms to receive complaints or concerns from workers   |
| 1.5   | 2         | C.2 Grievance channels/mechanisms to receive complaints or concerns from external individuals and communities              |
| 1   | 2         | C.7 Remedying adverse impacts and incorporating lessons learned  |
| <b>17.5</b>   | <b>26</b> |  |

(\*) Instead of the full list of indicators in the 2020 CHRB Methodology, this year's assessment uses the CHRB Core UNGP Indicators. These are 13 non-industry specific indicators that focus on three key areas of the UNGPs: high level commitments, human rights due diligence and access to remedy.

The 13 indicators selected from the full CHRB Methodology are scored on a simple unweighted basis, with a maximum of 2 points for each indicator for a maximum total of 26 points.

In addition, allegations of severe human rights impacts (Measurement Theme E) were also assessed but do not impact overall final scores

Please note that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2020 Methodology document. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

## Detailed assessment

### Governance and Policies

| Indicator Code | Indicator name                                    | Score (out of 2) | Explanation   |
|----------------|---|------------------|---|
| A.1.1          | Commitment to respect human rights                | 2                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: General HRs commitment: The Human rights policy establishes the Company position 'with regard to its commitment to respecting the internationally recognized Human Rights, and it lays down such values and principles that will serve as a guideline to its business activities in all its scopes of action'. [Human rights policy 2016, 12/2016: <a href="http://inditex.com">inditex.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: UNGPs: Through the Human rights policy, Inditex 'implements its commitment towards respecting and promoting Human Rights, as set forth in the United Nations Guiding Principles on Business and Human Rights, and fostering them in the communities where it operates'. [Human rights policy 2016, 12/2016: <a href="http://inditex.com">inditex.com</a>]</li> </ul>  |
| A.1.2          | Commitment to respect the human rights of workers | 2                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: ILO Core: The Company's human rights policy contains an explicit commitment to at each ILO core element [Human rights policy 2016, 12/2016: <a href="http://inditex.com">inditex.com</a>]</li> <li>• Met: Explicitly list ALL four ILO for AP suppliers: The Code of conduct for manufacturers and suppliers includes explicit requirement of commitment to each ILO core area. With respect freedom of association and collective bargaining, the Code says: '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.' [Code of conduct for manufacturers and suppliers, n/a: <a href="http://inditex.com">inditex.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Explicit commitment to All four ILO Core: The Company's human rights policy contains an explicit commitment to at each ILO core element. With respect the rights to freedom of association and collective bargaining, the policy says: 'Inditex acknowledges the right of its employees to set up, be involved or join trade unions and/or organization that defend and promote their interests, regardless of the environment where they work. It also ensures its workers respect for collective bargaining, freedom of opinion and protection for the workers' representatives.' [Human rights policy 2016, 12/2016: <a href="http://inditex.com">inditex.com</a>]</li> <li>• Met: Respect H&amp;S of workers: The Human rights policy contains a commitment on protecting workers' health and safety [Human rights policy 2016, 12/2016: <a href="http://inditex.com">inditex.com</a>]</li> <li>• Met: H&amp;S applies to AP suppliers: The code for suppliers includes a requirement to commit to safe and hygienic working conditions [Code of conduct for manufacturers and suppliers, n/a: <a href="http://inditex.com">inditex.com</a>]</li> <li>• Met: working hours for workers: The human rights policy states that 'The weekly working hours and overtime shall not exceed the statutory limit set forth in the laws and regulation of each country. Overtime shall always be voluntary and paid according to law'. Additionally, 'Inditex shall establish all required conditions to ensure that its employees enjoy such rights, pursuant to ILO Conventions or the applicable laws and regulations.' [Human rights policy 2016, 12/2016: <a href="http://inditex.com">inditex.com</a>]</li> </ul> |

| Indicator Code | Indicator name                         | Score (out of 2) | Explanation  |
|----------------|--|------------------|--|
|                |  |                  | <ul style="list-style-type: none"> <li>• Met: Working hours for AP suppliers: The code for suppliers contains specific requirements in relation to working hours. '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.' [Code of conduct for manufacturers and suppliers, n/a: <a href="http://inditex.com">inditex.com</a>]</li> </ul>  |
| A.1.4          | Commitment to engage with stakeholders | 2                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Commits to stakeholder engagement: The Human rights policy states that 'Inditex undertakes to respect the rights of local communities in such areas where it conducts its business activity, and to respect the local laws, culture and uses, undertaking to maintain an open dialogue with its stakeholders, and paying special attention to the more vulnerable groups'. [Human rights policy 2016, 12/2016: <a href="http://inditex.com">inditex.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Commits to engage stakeholders in design</li> <li>• Met: Regular stakeholder design engagement: The Company has a Global Framework Agreement with IndustriALL Global Union. 'Our cooperation with IndustriALL is key to achieving a stable and sustainable supply chain'. 'We maintain a constant dialogue that enables the execution of programmes and initiatives aimed at improving the supply chain on the ground, involving our suppliers, local unions and other stakeholders'. [Shared challenges on website, n/a: <a href="http://inditex.com">inditex.com</a>]</li> </ul>   |
| A.1.5          | Commitment to remedy                   | 0.5              | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Commits to remedy: The company states that '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'. Regarding this policy, the Modern Slavery Statement indicates that 'The enforcement of the Policy involves implementing and executing due diligence processes which allow Inditex to assess and, where appropriate, regularly identify current and/or potential impacts in the field of human rights. Further to such processes, appropriate measures are taken to prevent, monitor, mitigate or remedy any potential negative consequences and foster positive impacts throughout the entire supply chain'. However, no formal statement of commitment to remedy the adverse impacts on individuals, workers and communities that it has caused or contributed to. Current evidence indicates that remedy can be part of process. The Company also refers to grievance mechanism as means to provide solutions to negative impacts. No formal statement of commitment to remedy found. [Human rights policy 2016, 12/2016: <a href="http://inditex.com">inditex.com</a> &amp; Modern Slavery Statement 2018, 11/06/2019: <a href="https://inditex.com">https://inditex.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Collaborating with other remedy initiatives: The Company indicates that, in the context of migrant workers, collaborates 'with the Refugee Support Centre (MUDEM) in Turkey to create individual remediation plans'. 140 individual remediation plans took place in 2018. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a>]</li> <li>• Not met: Work with AP suppliers to remedy impacts: In order to improve practices in the supply chain 'Corrective Action Plans (CAPs) are designed. The two main objectives of the CAPs are: The establishment of measures aimed at mitigating and/or remedying potential non-compliances with the Code of Conduct for Manufacturers and Suppliers. Prevention, to avoid further breaches in future. These Corrective Action Plans include exacting goals and deadlines that must be met properly and promptly by the supplier. In order to comply with the CAPs, the supplier/manufacturer will be given full support by Inditex as well as, as the case may be, other stakeholders, such as non-governmental organisations, trade unions and other civil society organisations. Our control methodology includes a follow-up of the evolution and compliance of these CAPs, including competence visits performed by our staff'. However, this indicator has a wider approach, looking for commitment to working with suppliers to remedy including through the business relationships (grievance) mechanisms or through collaborating with those business relationship on the development of third party non-judicial remedies. [2019 Annual Accounts, 31/01/2020: <a href="http://inditex.com">inditex.com</a> &amp; Code of conduct for manufacturers and suppliers, n/a: <a href="http://inditex.com">inditex.com</a>]</li> </ul> |

## Embedding Respect and Human Rights Due Diligence

| Indicator Code | Indicator name   | Score (out of 2) | Explanation  |
|----------------|--|------------------|--|
| B.1.1          | Responsibility and resources for day-to-day human rights functions                 | 2                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Commits to ILO core conventions: See indicator A.1.2. The Company is committed to ILO core conventions.</li> <li>• Met: Senior responsibility for HR: The Human rights policy indicates that the Company 'relies on a Committee of Ethics and a whistleblowing channel to ensure compliance with this policy'. The Committee of Ethics is composed of The General Counsel and Code Compliance Officer, the Chief Audit Officer, the Chief Sustainability Officer and the Chief Human Resources Officer. [Human rights policy 2016, 12/2016: <a href="http://inditex.com">inditex.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Day-to-day responsibility: The company indicates that 'Integrated management of our supply chain is a responsibility of a sustainability team of 4,925 professionals (between in-house and external staff), and contributed to by every area within the Company. Their job is to reinforce the integration of the social, environmental and product health and safety criteria we apply to all of the processes, facilities and people involved in making our products. We are similarly committed to ensuring the provision of sustainable environments for all of the workers comprising our supply chain, whose wellbeing is a constant priority'. Then it goes on listing different activities developed by the sustainability team. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a>]</li> <li>• Met: Day-to-day responsibility for AP in supply chain: The company indicates that 'Our internal teams are characterized by their multidisciplinary nature, but with the common ground of social sustainability. Our teams include qualified social auditors, Human Rights experts and other technical specialists. (...) In 2018, a total of 47 members of our Social Sustainability team were trained by external organisations including: Training activities held among the members of internal teams are equally important to the transfer of knowledge between the various clusters and the replication of good practices. In this sense, inter-cluster communications are an everyday event in our organisation. Moreover, all clusters meet once a year to share experiences and develop future strategies. In 2018 these events were the starting point for the new strategy 2019-2022 and for a review of the previous Strategic Plan 2014-2018'. Also, 'Integrated management of our supply chain is a responsibility of a sustainability team of 4,925 professionals (between in-house and external staff), and contributed to by every area within the Company. Their job is to reinforce the integration of the social, environmental and product health and safety criteria we apply to all of the processes, facilities and people involved in making our products. We are similarly committed to ensuring the provision of sustainable environments for all of the workers comprising our supply chain, whose wellbeing is a constant priority'. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a>]</li> </ul> |
| B.2.1          | Identifying: Processes and triggers for identifying human rights risks and impacts | 0.5              | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Identifying risks in own operations: Regarding its due diligence process, the Company indicates that 'This process entails identifying potential impacts on Human Rights throughout our value chain, to subsequently integrate the findings into the different processes of the Group. In Inditex we regularly review and update our due diligence processes, using best practices identified both at internal and external level, to prepare a global due diligence model. In this regard, during 2019 we have continued to progress in due diligence processes throughout the supply chain. (...) In addition, other important areas of the Company, such as the Internal Audit, Human Resources and Risk Management Departments have continued to participate in due diligence processes throughout 2019'. [2019 Annual Accounts, 31/01/2020: <a href="http://inditex.com">inditex.com</a>]</li> <li>• Met: Identifying risks in AP suppliers: The company indicates that 'The second fundamental pillar of Inditex's Human Rights Strategy is due diligence, a process that involves identifying the potential impacts on Human Rights throughout our value chain in order to integrate the conclusions into the Group's processes afterwards'. In 2018 it took these steps: 'Establishment of standardised processes to identify and prioritize impacts on the supply chain'; 'Creation of an impact matrix for each one of the relevant production countries (clusters) and the global supply chain'; 'Determination of priority impact areas to define the 2019-2022 social Sustainability strategy'. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a>]</li> </ul>   |

| Indicator Code | Indicator name   | Score (out of 2) | Explanation   |
|----------------|--|------------------|---|
|                |  |                  | <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Ongoing global risk identification: As indicated above, the company states that 'in Inditex we regularly review and update our due diligence processes' and that 'during 2019 we have continued to progress in due diligence processes throughout the supply chain'. [2019 Annual Accounts, 31/01/2020: <a href="http://inditex.com">inditex.com</a>]</li> <li>• Not met: In consultation with stakeholders: Company states that it collaborates with Shift and discloses the main initiatives, agreements and codes that it has entered, including IndustriALL Global Union, the International Labour Organization, Open for Business, ClosingGap, Tent Partnership for Refugees among others. However, it is not clear the Company's system for identifying human rights risks and impacts takes place in consultation with affected or potentially affected stakeholders. Moreover, the Company also indicates the creation of a Sustainability Committee, however, this piece of evidence was not material to this datapoint. [2019 Annual Accounts, 31/01/2020: <a href="http://inditex.com">inditex.com</a>]</li> <li>• Met: In consultation with HR experts: The Company indicates that 'in partnership with Shift, a benchmark in the field of Guiding Principles on Business and Human Rights, social sustainability teams in countries which represent nearly the entire production of Inditex have been trained on human rights and on the processes inspired by the United Nations Guiding Principles on Business and Human Rights, for the purposes of identifying and prioritising potential impacts on human rights and on the different stakeholders'. [Modern Slavery Statement 2018, 11/06/2019: <a href="https://inditex.com">https://inditex.com</a>]</li> <li>• Not met: Triggered by new circumstances</li> </ul>  |
| B.2.2          | Assessing: Assessment of risks and impacts identified (salient risks and key industry risks) | 1                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Salient risk assessment (and context): Regarding its due diligence process, the company indicates that 'The aim is to identify and prioritize the potential impacts on Human Rights and on the different groups, as well as to revise and boost the sustainable supply chain management strategy'. The Company also states that the areas of focus (main issues) have been identified 'thanks to our close relations with workers and their communities by means of the clusters'. In the figure 'why these spheres' it is only indicated 'local and global needs' and 'due diligence'. Moreover, the Company indicates, in its 2019 Annual Accounts Document, that 'The activities included in the 2019-2022 Strategy are classified into priority impact areas. To identify these areas, and on the basis of our Human Rights Policy and CCMS compliance, due diligence processes and procedures have been established. This has helped create a model for identification and prioritisation of potential impacts on Human Rights in the supply chain'. The Company then discloses its 7 Priority Impact Areas that have been identified (see below). However, no description found of factors taken into account including any of economic, social, geographical (or any other factor to determine the issues that are salient). [2019 Annual Accounts, 31/01/2020: <a href="http://inditex.com">inditex.com</a> &amp; Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a>]</li> <li>• Met: Public disclosure of salient risks: The company indicates that as a result of the process above mentioned, 7 Priority Impact Areas have been identified: Worker Participation; Living Wages; Women Empowerment; Occupational Health and Safety; Protection of Migrants; Social protection; and Protection of labour rights in the production of raw materials'. [2019 Annual Accounts, 31/01/2020: <a href="http://inditex.com">inditex.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirements under score 1 met</li> </ul> |

| Indicator Code | Indicator name   | Score (out of 2) | Explanation   |
|----------------|--|------------------|---|
| B.2.3          | Integrating and Acting:<br>Integrating assessment findings internally and taking appropriate action              | 2                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Action Plans to mitigate risks: The 2019-2022 Strategy Plan of the 'Workers at the Centre' Programme, 'considers three dimensions: workplace, wellbeing and industry, seeking with our actions to have a positive impact on any of these areas for the workers. The three dimensions are connected with one another, insofar as the benefit from improvements made in the workplaces of our supply chain will affect the general wellbeing of the workers. We are thus looking to have a positive impact in order to achieve changes in the sector. (...) The activities included in the 2019-2022 Strategy are classified into priority impact areas. To identify these areas, and on the basis of our Human Rights Policy and CCMS compliance, due diligence processes and procedures have been established. This has helped create a model for identification and prioritisation of potential impacts on Human Rights in the supply chain. (...) 7 Priority Impact Areas have been identified, on which the 2019-2022 Strategy will be focusing its activities: 1. Worker Participation; 2. Living Wages; 3. Women Empowerment; 4. Occupational Health and Safety; 5. Protection of Migrants; 6. Social protection; and 7. Protection of labour rights in the production of raw materials. In each of these 7 Priority Impact Areas, the 2019-2022 Strategy has its own plan and an internal team of specialists who in turn work alongside relevant stakeholders'. The Annual report reports actions carried out in the different areas, including examples as referenced below. [2019 Annual Accounts, 31/01/2020: <a href="http://inditex.com">inditex.com</a>]</li> <li>• Met: Including in AP supply chain: see above</li> <li>• Met: Example of Actions decided: The Company reports examples of the different programmes. In the case of women empowerment, the Company describes a project to fight against the Sumangali practice in India. The Company indicates that 'The first step was a study of the supply chain in Tamil Nadu. While the internal part of the study indicated that none of the factories producing garments for Inditex engaged in this practice, the external parts of the study demonstrated that the situation was prevalent in the area. In line with the first dimension of our approach, in 2013 we launched the Sowbhagyam Programme in conjunction with a local expert partner, SAVE (Social Awareness and Voluntary Education), to create a solid, successful and replicable participatory model to prevent this practice. The other two dimensions were addressed through our commitment to the Ethical Trading Initiative (ETI) and Amsterdam Coalition (AMCO), respectively. With ETI we collaborated on the Nalam Programme, which trained workers in spinning mills on their labour and health rights, grievance mechanisms, the prevention of harassment in the workplace, and so on. To date, the programme has reached 39 factories with 19,506 workers. We also participate in ETI's Tamil Nadu Multi-Stakeholder Programme, in which we are also members of the local advisory board. We are also founding members of AMCO, which was created in 2015 by different brands to promote changes to policies in India so as to guarantee responsible labour practices with a special emphasis on spinning mills in the south of the country. The coalition has engaged in discussions with the government and collaborated with the Confederation of Indian Industry (CII) to achieve this objective'. [2019 Annual Report, 10/06/20: <a href="http://inditex.com">inditex.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Both requirements under score 1 met</li> </ul> |
| B.2.4          | Tracking:<br>Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts | 1                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: System to check if Actions are effective: The Company's work at the centre programmes conform the Company's 'Strategic Plan 2014-2018'. Each programme has a set of indicators to measure the performance of the initiatives. For each of the programmes the Company provides information on actions taken, participation and improvement of management systems achieved. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a>]</li> </ul>   |

| Indicator Code | Indicator name  | Score (out of 2) | Explanation   |
|----------------|---|------------------|---|
|                |   |                  | <ul style="list-style-type: none"> <li>• Not met: Lessons learnt from checking effectiveness: The Company indicates that 'The incorporation of strategic and technological innovation into our supply chain management system is enabling us to have a bigger, more holistic and longer-lasting impact on the social and environmental conditions in which our products are made, while boosting product quality and safety'. Moreover, regarding its Strategic Plan for a Stable and Sustainable Supply Chain 2014-2018, the Company states that 'The Plan came to an end in the year 2018. During the five-year period of its implementation, the tools, methods and activities linked to identification, assessment, optimization and sustainability included in the Plan have evolved to adapt to the needs of the supply chain and its context, incorporating experiences and lessons learned'. It has now launched a new strategic plan Workers at the Centre 2019-2022: 'Based on the experience we have accumulated over the five years of the Strategic Plan for a Stable and Sustainable Supply Chain and the lessons learned from the activities forming part of the Workers at the Centre strategy, in 2019 we have embarked on our new strategy for the supply chain'. However, no details found of the lessons learned while tracking the effectiveness of its actions on at least one of its salient human rights issues as a result of the due diligence process. No further evidence found in the 2019 Annual Accounts, nor in the 2019 Annual Report. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both requirement under score 1 met</li> </ul>   |
| B.2.5          | Communicating : Accounting for how human rights impacts are addressed | 0.5              | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Not met: Comms plan re identifying risks: In order to be awarded this indicator, the Company needs to achieve at least 1,5 points in B.2.1</li> <li>• Not met: Comms plan re assessing risks: In order to be awarded this indicator, the Company has to achieve a full score in B.2.3</li> <li>• Met: Comms plan re action plans for risks: See indicator B.2.3</li> <li>• Not met: Comms plan re reviewing action plans: In order to be awarded this indicator, the Company has to achieve a full score in B.2.4</li> <li>• Not met: Including AP suppliers: In order to be awarded this indicator, the Company has to achieve a full score in B.2.2/B.2.3/B.2.4 and at least 1,5 points in B.2.1</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Responding to affected stakeholders concerns: In its Corporate Social Responsibility Policy, the Company indicates that to achieve transparency 'the Group relies on several communication tools, among which the Annual Report can be underscored, which is based upon best practices in the area of reporting and shows Inditex's significant economic, environmental and social impacts and its corporate website. (...) Thus, the most significant social, economic and environmental indicators of each financial year are included in the Annual Report. This allows the Stakeholders to assess value building and the performance of the Group during the year in question'. Also, the results of its materiality analysis are disclosed in its 2019 Annual Accounts, as well as its stakeholders and several means to communicate with them, which was not material for this datapoint. Lastly, as its stated in its 2018 Annual Report, 'In order to constantly develop our relationship models with stakeholders, Inditex's Social Advisory Board, a counseling body on sustainability issues made up of individuals and external institutions independent of Inditex, takes on a key role as it is responsible for institutionalizing the dialogue with key interlocutors in civil society'. However, it is not clear how it has responded to specific human rights concerns raised by, or on behalf of, affected stakeholders. [2019 Annual Accounts, 31/01/2020: <a href="http://inditex.com">inditex.com</a> &amp; Corporate responsibility policy, 09/12/2015: <a href="http://inditex.com">inditex.com</a>]</li> <li>• Not met: Ensuring affected stakeholders can access communications: The Company indicates that regarding the disclosure of complaints raised through its Ethics Line Procedures, the Company indicates that 'This Procedure will be available on INET to all the employees, and it will be available to all the stakeholders of the Company on the corporate website'. However, no further details found on how the Company ensures that responses to affected stakeholder and their representatives concerns are made accessible, beyond the context of grievances made through the Ethics Line. [Ethics Line Procedure, 2019_12_10: <a href="http://inditex.com">inditex.com</a>]</li> </ul> |

## Remedies and Grievance Mechanisms

| Indicator Code | Indicator name  | Score (out of 2) | Explanation  |
|----------------|---|------------------|--|
| C.1            | Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers                              | 1.5              | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Channel accessible to all workers: The Company states that 'Inditex makes available the Ethics Line to all its employees'. The Ethics Line accessed from its Corporate Ethics webpage. [Ethics Line Procedure, 2019_12_10: <a href="http://inditex.com">inditex.com</a> &amp; Corporate Ethics, N/A: <a href="http://inditex.com">inditex.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Number grievances filed, addressed or resolved: The company indicates that 'During 2019, the Committee of Ethics has processed a total of 310 cases (302 cases in 2018), and following the appropriate investigations, no proof of violations of Human Rights have been observed, either regarding Inditex employees or regarding its suppliers of goods and services'. However, it is not clear how many of those cases filed/addressed/resolved were related to human rights or the practical operation of the channel (even if finally the outcome resulted in zero human rights violations). [2019 Annual Accounts, 31/01/2020: <a href="http://inditex.com">inditex.com</a>]</li> <li>• Not met: Channel is available in all appropriate languages: The different ways to report any concern/complaint through the Whistleblowing channel are described in the Human Rights policy and the code of conduct and responsible practices, which 'shall be made available to employees in their own language and remain posted on all web sites, and shall be subject to the appropriate disclosure, training and awareness-raising actions'. However, 'Through the modification of the Procedure, its name has also been changed from the former "Whistle blowing Channel" to that of the "Ethical Channel"'. It is no longer clear that it is available in all languages. The Ethics Channel can be accessed through the Corporate Ethics webpage, and the latter was found to be available only in English and Spanish. No further evidence was found in the latest documents. [Human rights policy 2016, 12/2016: <a href="http://inditex.com">inditex.com</a> &amp; 2019 Annual Accounts, 31/01/2020: <a href="http://inditex.com">inditex.com</a>]</li> <li>• Met: Opens own system to AP supplier workers: In the 2019 Ethics Line Procedure, the Company indicates that 'Inditex makes available the Ethics Line to all its employees, manufacturers, suppliers or third parties with whom it has a direct relationship and a lawful business or professional interest (the "Parties concerned")', at all levels and in all geographies'. [Ethics Line Procedure, 2019_12_10: <a href="http://inditex.com">inditex.com</a>]</li> </ul> |
| C.2            | Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities | 1.5              | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Grievance mechanism for community: The code of conduct for manufacturers and suppliers indicates that 'in order to ensure the enforcement of the Code [...] 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 indirect relationship or commercial or professional interest with Inditex'. [Code of conduct for manufacturers and suppliers, n/a: <a href="http://inditex.com">inditex.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Describes accessibility and local languages: The Code of conduct contains the contact details for the grievance channel, including a phone number (from Spain), a postal address and an email address. It also indicates that '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 languages, shall be displayed in accessible locations to all workers'. However, it is not clear how it ensures the channel(s)/mechanism(s) is accessible to all potentially affected external stakeholders at all operations, including in local languages. As it is stated in its Ethics Line Procedure 'Through the modification of the Procedure, its name has also been changed from the former "Whistle blowing Channel" to that of the "Ethical Channel"'. It is no longer clear that it is available in all languages. The Ethics Channel can be accessed through the Corporate Ethics webpage, and the latter is only available in English and in Spanish. No further evidence was found in the new Ethics Line Procedure. [Code of conduct for manufacturers and suppliers, n/a: <a href="http://inditex.com">inditex.com</a> &amp; Ethics Line Procedure, 2019_12_10: <a href="http://inditex.com">inditex.com</a>]</li> <li>• Met: AP supplier communities use global system: In the 2019 Ethics Line Procedure, the Company indicates that 'Inditex makes available the Ethics Line to all its employees, manufacturers, suppliers or third parties with whom it has a direct relationship and a lawful business or professional interest (the "Parties concerned")', at all levels and in all geographies' to 'give notice of any breach of the Codes of Conduct of the Inditex Group as well as of any other internal conduct regulations within the remit of the Committee of Ethics they may learn of, affecting</li> </ul>   |



| Indicator Code | Indicator name  | Score (out of 2) | Explanation   |
|----------------|---|------------------|---|
|                |   |                  | Inditex, by employees, manufacturers, suppliers or third parties, with whom Inditex is engaged in a direct employment, commercial or professional relationship'.<br>[Ethics Line Procedure, 2019_12_10: <a href="#">inditex.com</a> ]   |
| C.7            | Remedying adverse impacts and incorporating lessons learned | 1                | <p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> <li>• Met: Describes how remedy has been provided: The Company indicates that 'whenever situations are detected that do not respect migrant or refugee rights, we implement remediation plans. These plans are of particular importance in Turkey, where we have been collaborating with the NGO Refugee Support Centre (MUDEM) since 2015. The creation of these plans requires detailed study to offer a solution adapted to each particular situation. In this respect, MUDEM and Inditex collaborate to offer assistance to workers and their families to regularize their employment status in Turkey. They are also offered Turkish language courses and translation of the documents needed for their adaptation: regulations, procedures, aspects of health and safety, and so on. In 2018, a total of 140 guidance and remediation plans were implemented in Turkey with an impact on 149 people'.<br/>[Annual Report 2018, 06/2019: <a href="#">static.inditex.com</a> &amp; Syrian refugees in Turkey, 23/07/19: <a href="https://inditex.com">https://inditex.com</a> 2019\Inditex Engag 2019\Notes Inditex.docx#_Hlk14775135_1,2787,2907,0,,inditex.com]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Changes introduced to stop repetition: The Company provides a video where it shows changes that took place in its safety and fire regulation in Bangladesh after Rana Plaza factory fire, in 2013. The Company took part in a series of health and safety agreements: the Accord on Fire and Building Safety in Bangladesh's Garment Industry, in 2013; Transition Accord, in 2018; Transition Agreement, in 2020. 'Following the initial inspection of over 1,600 factories, the first factories complied with their safety recommendations in 2015. The various factories, signatory brands, union organisations and other stakeholders continue to collaborate actively to achieve the targets set and tackle the need to further improve working conditions across global supply chains'. The Company lists a series of initiatives to the improvement of working conditions. However, this refers to changes that started to take place more than three reporting years ago in response to an incident that took place in 2013. [Fire and building safety in Bangladesh, N/A: <a href="#">inditex.com</a> &amp; Accord on Fire and Building Safety in Bangladesh, 15/05/2015: <a href="#">inditex.com</a>]</li> <li>• Not met: Approach to learning from incident to prevent future impacts</li> <li>• Not met: Evaluation of the channel/mechanism: Regarding its Ethics Line Procedure, the Company indicates that it 'has been recently modified in order to adapt it to the regulatory requirements of personal data protection and the rights of users of reporting mechanisms, as well as international best practices in the field of Human Rights'. However, no evaluation of the effectiveness of the grievance channel(s)/mechanism(s) found. [2019 Annual Accounts, 31/01/2020: <a href="#">inditex.com</a>]</li> </ul> |

## Performance: Responses to Serious Allegations (Not included in the overall score)

| Indicator Code | Indicator name          | Score (out of 2) | Explanation  |
|----------------|-------------------------|------------------|--|
| E(1).0         | Serious allegation No 1 |                  | No allegations meeting the CHRB severity threshold were found. |

### Disclaimer

A score of zero for a particular indicator does not mean that bad practices are present. Rather it means that we have been unable to identify the required information in public documentation.

See the 2020 Key Findings report and the 2019 technical annex for more details of the research process.

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As WBA, we want to emphasise that the results will always be a proxy for good human rights management, and not an absolute measure of performance. This is because there are no fundamental units of measurement for human rights. Human rights assessments are therefore necessarily more subjective than objective. The Benchmark also captures only a snap shot in time. We therefore want to encourage companies, investors, civil society and governments to look at the broad performance bands that companies are ranked within rather than their precise score because, as with all measurements, there is a reasonably wide margin of error possible in interpretation. We also want to encourage a greater analytical focus on how scores improve over time rather than upon how a company compares to other companies in the same industry today. The spirit of the exercise is to promote continual improvement via an open assessment process and a common understanding of the importance of the UN Guiding Principles on Business and Human Rights.

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