

**Company Name** Inditex  
**Industry** Apparel (Supply Chain only)  
**Overall Score (\*)** 65.6 out of 100

Theme Score	Out of	For Theme
7.8	10	A. Governance and Policies
14.3	25	B. Embedding Respect and Human Rights Due Diligence
4.6	15	C. Remedies and Grievance Mechanisms
15.0	20	D. Performance: Company Human Rights Practices
17.5	20	E. Performance: Responses to Serious Allegations
6.4	10	F. Transparency

(\*) Please note that any small differences between the Overall Score and the added total of Measurement Theme scores are due to rounding the numbers at different stages of the score calculation process.

Please note also 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 2019 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

### A. Governance and Policies (10% of Total)

#### A.1 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	2	The individual elements of the assessment are met or not as follows: Score 1 <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, 12/2016: <a href="http://inditex.com">inditex.com</a>]</li> </ul> Score 2 <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, 12/2016: <a href="http://inditex.com">inditex.com</a>]</li> </ul>
A.1.2	Commitment to respect the human rights of workers	2	The individual elements of the assessment are met or not as follows: Score 1 <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, 12/2016: <a href="http://inditex.com">inditex.com</a>]</li> </ul> <ul style="list-style-type: none"> <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</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>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: <a href="http://inditex.com">inditex.com</a>]</p> <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, 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, 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: <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, 12/2016: <a href="http://inditex.com">inditex.com</a>]</li> <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: <a href="http://inditex.com">inditex.com</a>]</li> </ul>
A.1.3.AP	Commitment to respect human rights particularly relevant to the industry (AP)	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>• Not met: Women's Rights: The Company has commitments on non-discrimination and diversity, and carries out activities to improve equality. However, no specific statement of policy found committing to specifically women's rights, or to the 'Convention on the Elimination of Discrimination Against Women' or the 'Women Empowerment principles'. [Equality and diversity (web), 25/03/2019: <a href="http://inditex.com">inditex.com</a>]</li> <li>• Met: Children's Rights: The Human rights policy states that 'Inditex advocates the children's right to education, in line with the Children's Rights and Business Principles of the United Nations Children's Fund' [Human rights policy, 12/2016: <a href="http://inditex.com">inditex.com</a>]</li> <li>• Not met: Migrant worker's rights: Although the Company has commitments on non-discrimination, no specific public statement of commitment found in relation to migrants rights or the International Convention on the Protection of the Rights of All Migrant Workers.</li> <li>• Met: Expecting suppliers to respect these rights: Although the Company has several commitments on non-discrimination and child labour, no explicit mention found on migrant or child rights and/or their relevant conventions on public statements of commitment concerning its supply chain. One of the Company's 'workers at the centre' programme focuses in 'women empowerment'. In addition, in 2017, the Company 'approved a Women empowerment strategy in the supply chain which is articulated around three pillars: health, protection and empowerment'.</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: CEDAW/Women's Empowerment Principles</li> <li>• Met: Child Rights Convention/Business principles: See above</li> <li>• Not met: Convention on migrant workers</li> <li>• Met: Respecting the right to water: The Company is a signatory the CEO Water mandates and acknowledges the principles of this initiative 'as he roadmap for an</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			appropriate and sustainable management of water'. [Human rights policy, 12/2016: <a href="http://inditex.com">inditex.com</a> ] <ul style="list-style-type: none"> <li>• Not met: Expecting suppliers to respect these rights: The Commitments of the Company's water management strategy include 'work with our supply chain to ensure the conservation of the environmental quality of river and marine ecosystem' and 'develop master plans for water management at the quantitative and qualitative levels in our owned production centers and supply chain'. No evidence found, however, of requirement for suppliers on explicit commitments in relation to the initiatives mentioned above in relation to either women, children or migrants.</li> </ul>
A.1.4	Commitment to engage with stakeholders	2	The individual elements of the assessment are met or not as follows: Score 1 <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, 12/2016: <a href="http://inditex.com">inditex.com</a>]</li> </ul> Score 2 <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: <a href="http://inditex.com">inditex.com</a>]</li> </ul>
A.1.5	Commitment to remedy	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Commits to remedy: The company indicates 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'. However, no specific evidence found in relation to remedy. [Human rights policy, 12/2016: <a href="http://inditex.com">inditex.com</a>]</li> </ul> Score 2 <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: The company indicates that the aim of social audits, in its suppliers, is 'to verify the degree of compliance with the Code of Conduct and to establish Corrective Action Plans where necessary to ensure respect for fundamental labour rights'. However, no commitment found that includes working with suppliers to remedy adverse impacts either through the business relationships own mechanisms or through collaborating with them on the development of third party non-judicial remedies. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a>]</li> </ul>
A.1.6	Commitment to respect the rights of human rights defenders	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Zero tolerance attacks on HRs Defenders (HRDs): Although the Human rights policy indicates that 'Inditex shall work with the relevant stakeholders to implement the Policy, and respect and foster the work of all those who act as Advocates for Human Rights', no evidence found of a explicit commitment to not tolerate nor contribute to threats, intimidation and attacks against these. [Human rights policy, 12/2016: <a href="http://inditex.com">inditex.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Expects AP suppliers to reflect company HRD commitments: Although the Human rights policy states that 'all manufacturers and suppliers that work with Inditex shall undertake to respect their employees' Human and Labour Rights, and to involve their business partners and convey to them such principles', no evidence found of this commitment including not tolerating nor contributing to threats against human rights defenders. The policy does not explicitly commits to this, and the scope of application states that 'the enforcement of this Policy, in full or in part, may extend to any natural and/or legal person associated with Inditex, where this may be appropriate to meet its purpose, and practicable on account of the nature of the relationship'. [Human rights policy, 12/2016: <a href="http://inditex.com">inditex.com</a>]</li> </ul>

## A.2 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	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: CEO or Board approves policy: The Company's Human rights policy commitments are approved by the Board. [Human rights policy, 12/2016: <a href="http://inditex.com">inditex.com</a>]</li> <li>• Met: Board level responsibility for HRs: The Company indicates that 'In line with its total commitment to sustainability, the Group has decided to set up a specific Sustainability Committee within the Board of Directors, whose mission is to oversee the sustainability strategy and policies; supervise the supply chain monitoring effort and the relationship with the various stakeholders with a vested interest in sustainability and with the CSR Board; verify compliance with the Group's health and safety and human rights standards all along the value chain and with the sustainability information reporting process; and any other issue or initiative that impacts or could impact the company's sustainability'. [Article - Sustainability Committee, 26/07/19: <a href="http://inditex.com">inditex.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Speeches/letters by Board members or CEO: Following the signature of the new agreement with IndustriALL signed in 2016, the Chairman 'was the first speaker in the line-up for today's plenary session of the High-level Conference on Responsible Management of the Supply Chain in the Garment Sector organised by the European Commission in Brussels, giving him the change to outline the company's sustainability efforts'. [Shared challenges on website: <a href="http://inditex.com">inditex.com</a>]</li> </ul>
A.2.2	Board discussions	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: Board/Committee review of salient HRs: The company indicates that 'The Committee of Ethics submits a report at least twice a year to the Audit and Control Committee, reviewing its proceedings, the enforcement of the Code of Conduct and Responsible Practices and of the Code of Conduct for Manufacturers and Suppliers'. Then, 'the Audit and Control Committee reports to the Board of Directors, on annual basis as well as whenever this latter so requires'. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a>]</li> <li>• Not met: Examples or trends re HR discussion: Although the Company provides reports containing non-financial and human rights related approved by the Board, no specific evidence found of topics subject to discussion in board/board committee meetings. No further evidence found in the Annual Accounts, Management Report and Audit Report 2018. [Annual Accounts, Management Report and Audit Report 2018, 31/01/2019: <a href="http://inditex.com">inditex.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Both examples and process</li> </ul>
A.2.3	Incentives and performance management	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: Incentives for at least one board member: According to the Remuneration report, the Executive's Chairman long-term variable remuneration includes a percentage or remuneration linked to 'Sustainability index comprising four indicators', being one of the 'percentage of Inditex's suppliers of goods ranked A and B following their social audit'. Social audits cover a wide number of human rights and labour related topics, and A and B are the highest grades that suppliers can achieve. [Remuneration Report 2018, 31/01/2019: <a href="http://inditex.com">inditex.com</a>]</li> <li>• Met: At least one key AP HR risk, beyond employee H&amp;S: Ranking in social audits depends on checks and monitoring of a number of labour-related topics, beyond health and safety 'The aim of social audits is to verify the degree of compliance with the Code of Conduct and to establish Corrective Action Plans where necessary to ensure respect for fundamental labour rights'. [Remuneration Report 2018, 31/01/2019: <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> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Performance criteria made public: The Company discloses this information in the yearly remuneration report. The long term variable remuneration represents approximately 20%. 10% of this is linked to the Sustainability index, which contains the social audits grade indicator. [Remuneration Report 2018, 31/01/2019: <a href="http://inditex.com">inditex.com</a>]</li> </ul>

## B. Embedding Respect and Human Rights Due Diligence (25% of Total)

### B.1 Embedding Respect for Human Rights in Company Culture and Management Systems (10% of Total)

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</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, 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.1.2	Incentives and performance management	0	<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: Senior manager incentives for human rights: The Company provided comments to CHRB regarding this indicator. However, these have not been found in publicly available sources. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a>]</li> <li>• Not met: At least one key AP HR risk, beyond employee H&amp;S</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Performance criteria made public</li> </ul>
B.1.3	Integration with enterprise risk management	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: HR risks is integrated as part of enterprise risk system: The Company's Enterprise risk management policy is 'the basis of an integral Risks Management System' and is 'developed and supplemented by specific internal policies', which explicitly includes the code for suppliers and the Code of conduct of the Company (which include human rights). The ERM considers there is a reputational risk from 'a potentially inappropriate management of the issues regarding corporate ethics, social and environmental sustainability, responsibility on account of health and safety of products, the corporate image of the Group, including in social media, as well as any other potential regulatory noncompliance or noncompliance with best practices which might have an impact on the reputation of the Organisation'. [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>Not met: Audit Ctte or independent risk assessment: The Audit and Control Committee are tasked with 'Evaluating any question regarding non-financial risks (including without limitation operational, technological, regulatory, social, environmental, political and reputational) that the enterprise risk management policy and systems must contain'. However, no evidence found of a description on how the Company analysed the adequacy of the ERM in managing human rights risks that has been overseen by the Audit Committee or performed by and independent party. No further information found in the Management Report [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a> &amp; Annual Accounts, Management Report and Audit Report 2018, 31/01/2019: <a href="http://inditex.com">inditex.com</a>]</li> </ul>
B.1.4.a	Communication /dissemination of policy commitment(s) within Company's own operations	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: Commits to ILO core conventions</li> <li>Met: Communicates its policy to all workers in own operations: The Code of Conduct states that it 'shall be made available to the employees in their own language, and remain posted on all websites of Inditex, and shall be subject to the appropriate disclosure, training and awareness-raising actions to be properly understood and implemented within the whole organization'. In relation to the dissemination, the Annual report indicates that 'it is incumbent on the Human Resources Department of the Group to circulate a copy of the Code of Conduct and Responsible Practices to any new employees upon their joining the organization'. [Code of conduct and responsible business practices, 07/2012: <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> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Met: Commits to all 4 ILO core conventions</li> <li>Not met: Communication of policy commitments to stakeholder: The Human rights policy establishes that it 'will be made available to all the stakeholders of the Company, both internally and externally, and it shall be subject to the appropriate disclosure'. However it is not clear how it is actually communicated to affected stakeholders including local communities. Moreover, in the engagement process 2019, the company indicates that its The Human Rights Policy, The Code of Conduct and Responsible Practices and the Code of Conduct for Manufacturers and Suppliers and the Annual Report are available at their corporate webpage, however, CHRB is looking for evidence on how the company actively communicates its policy commitments to affected stakeholders. [Human rights policy, 12/2016: <a href="http://inditex.com">inditex.com</a>]</li> <li>Not met: How policy commitments are made accessible to audience</li> </ul>
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	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 all 4 ILO core conventions for suppliers: See indicator A.1.2</li> <li>Met: Requiring AP suppliers to communicate policy down the chain: The Company states that training is a key tool to strengthen compliance with the code . 'In 2016, training of suppliers in aspects such as freedom of association and collective bargaining, traceability, improvement of workers' conditions based on changes in factory production management systems, health and safety, children's rights or systems of self-monitoring of the supply chain by the supplier was noteworthy'. The Company also reports the it has individual sessions with suppliers. The code for suppliers states 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 language, shall be displayed in accessible locations to all workers'. [Code of conduct for manufacturers and suppliers: <a href="http://inditex.com">inditex.com</a> &amp; Annual report 2016, 2016: <a href="http://inditex.com">inditex.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Met: How HR commitments made binding/contractual: In relation to compliance with the code for suppliers, the Annual report states that it's 'mandatory for them to comply with it by virtue of Inditex's Minimum Requirements, which they sign as an indispensable condition when they join our supply chain'. [Annual report 2016, 2016: <a href="http://inditex.com">inditex.com</a>]</li> <li>Met: Including on AP suppliers: The Code for manufacturers and suppliers states that 'those who outsource any work shall be responsible for the enforcement of the Code by these third parties and their employees' [Code of conduct for manufacturers and suppliers: <a href="http://inditex.com">inditex.com</a>]</li> </ul>
B.1.5	Training on Human Rights	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: Scores at least 1 on A.1.2</li> <li>Not met: Trains all workers on HR policy commitments: The company indicates that 'All new Inditex employees receive training on sustainability and on the</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>positive impact of upholding responsible practices. New recruits to head offices participate in a Welcome session in which sustainability has a key role. Participants have the chance to familiarize themselves with the Group’s policies (such as its Code of Conduct for Manufacturers and Suppliers) and the range of processes linked to ensuring sustainability. The aim is for new recruits to understand how sustainability is connected to each area and see how their everyday activity can also have an impact on the sustainability of our supply chain’. However, it is not clear that all employees receive training that covers Human Rights, not just the ones in the head offices. No further information found. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a>]</p> <ul style="list-style-type: none"> <li>• Met: Trains relevant AP managers including procurement: The company indicates that ‘We have expanded the training of our purchasing teams in 2018. Our Sustainability team has trained local purchasing teams in Bangladesh, India and Turkey. Meanwhile, we have also trained purchasing teams at head offices that had not yet received this training. A total of 142 buyers were trained in responsible purchasing practices and sustainability criteria in 2018. (...) Apart from these training workshops, we also work to raise awareness among our teams as a fundamental part of the Sustainability team’s activity. During 2018, a total of 107 individual meetings were held with buyers to raise their awareness of this issue. The training and awareness raising we undertake with our buyers, as well as our work to adjust systems so that commercial decisions are also based on sustainable criteria, are reflected in the way our buyers give preference to suppliers that achieve the higher levels of compliance in sustainability. That is why 96% of the purchasing carried out in 2018 involved suppliers with the highest rating in the social sphere according to Inditex’s method (with an A or B rating), which are also the suppliers most likely to be suited to producing Join Life apparel’. [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>• Met: Score of 2 on A.1.2</li> <li>• Not met: Both requirements under score 1 met: See above.</li> </ul>
B.1.6	Monitoring and corrective actions	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: Scores at least 1 on A.1.2</li> <li>• Met: Monitoring implementation of HR policy commitments: The Company indicates that ‘Inditex relies on a well-rounded Compliance Model (...), defined as a system to organise, prevent, detect, monitor and manage legal and reputational risks arising from potential noncompliance with applicable mandatory regulations and standards, internal regulations and best practices’. The high level core regulations are the code for suppliers and the code of conduct and responsible practices. Another regulation included in the compliance model is the CSR policy. Also, ‘In order to organise and coordinate the management of the Model, the Compliance Function has been created, represented by the Committee of Ethics, which acts as the decision-making body, and the General Counsel’s Office – Office of the Chief Compliance Officer (...), responsible for the effective management of the Compliance Model. (...) Inditex has encouraged the international roll-out and implementation of the Compliance Model across all Group’s companies and all the markets where it operates. The global management of the Compliance Model is led by the corporate Compliance Function, with the support of regional Compliance Officers appointed in Europe, Asia and America. In turn, these later rely on local Compliance delegates in each market where the Company is present’. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a>]</li> <li>• Met: Monitoring AP suppliers: The Company has a ‘Compliance programme’ which also covers its suppliers. It includes different audit types, including Pre-assessment (preliminary assessment of potential suppliers), social audits (verify the degree of compliance) and special audits (inspections related to specific issues, and to verify compliance with corrective action plans). The Annual report indicates that in 2018, Inditex had 8,568 external audits and 3,496 internal audits within its supplier chain. [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>• Met: Score of 2 on A.1.2</li> <li>• Met: Describes corrective action process: The Company indicates that ‘every audit generates a Corrective Action Plan that imposes demanding goals and deadlines that must be complied with if the supplier wants to continue to maintain commercial relations with Inditex. Apart from internal teams, other stakeholders may participate in plans, including NGOs, trade unions or other civil society organisations’. The company then discloses its action plan process which includes an initial meeting, initial follow-up, follow-up visits, notification of the visit, final monitoring, follow-up audit, with an explanation of it each step. There were 134</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>incidents of non-compliance with code of conduct in 2018. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a>]</p> <ul style="list-style-type: none"> <li>Met: Example of corrective action: The company indicates that it has the target to offers 'remediation, protection and individual guidance to migrants who need it'. In order to do so, it works in 'collaboration with the Refugee Support Centre (MUDEM) in Turkey to create individual remediation plans'. Its KPIs for 2018 is '140 individual remediation plans'. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a>]</li> <li>Met: Discloses % of AP supply chain monitored: The Company indicates that it carried out 2,177 pre-assessment audits, 5,359 social audits, 1,982 special audits and 2,546 traceability audits. The Company states that 'the time that elapses until the next social audit varies according to the ranking obtained. However, all factories and suppliers are socially audited on a regular basis, regardless of the performance of other audits or programmes to which they are subject. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a> &amp; Annual report 2016, 2016: <a href="http://inditex.com">inditex.com</a>]</li> </ul>
B.1.7	Engaging business relationships	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: HR affects AP selection of suppliers: Before entering in the supply chain, potential suppliers go through a pre-assessment audit: 'A preliminary assessment of potential suppliers and factories performed by internal or external auditors without prior notice. Only those meeting the requirements established in the code of conduct can enter in the supply chain'. [Annual report 2016, 2016: <a href="http://inditex.com">inditex.com</a>]</li> <li>Met: HR affects on-going AP supplier relationships: The Company indicates that it has given practical tools to its buyers to favour those suppliers with the greatest degree of compliance: 'Thanks to this, the purchase from suppliers with the highest social ratings (A or B) in 2016 accounted for 95% of the total' (vs 93% in 2014). The Company also indicates that 76 suppliers were rejected during the year, of which 41 were blocked due to some non-compliance with the code. [Annual report 2016, 2016: <a href="http://inditex.com">inditex.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>Met: Both requirement under score 1 met: The Company has the 'worker at Centre' programmes, to be implemented in the different clusters (spaces for cooperation in geographic areas; currently there are 12 clusters) with the aim of covering 100% of the supply chain and the Company states that 'all projects are related to Human Rights'. The 'Lean Project', for instance, was implemented in seven factories in China with the aim of improving 'working conditions, including their wages, by means of improved production management systems'. The project is structured in four phases: training, development, implementation and monitoring, and 'the result obtained in the seven participating factories has been positive and the evolution in the production management systems has brought improvements to the working conditions of its workers' (the chart identifies 'working hours', 'safety', 'wages' and 'ergonomics' among the improvements). [Annual report 2016, 2016: <a href="http://inditex.com">inditex.com</a>]</li> <li>Met: Working with AP suppliers to improve performance: See above</li> </ul>
B.1.8	Approach to engagement with potentially affected stakeholders	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: Stakeholder process or systems: The Company explains three steps in defining strategy for engaging with stakeholders: 1) identification: 'it involves identifying all the stakeholders who may be related to Inditex throughout our value chain and in the environment where we carry out our business activity; 2) Definition of priorities [...] both their involvement and the possible impacts this [business] model can have on them are taken into account'; 3) Definition of a strategy: 'A specific strategy is created for each stakeholder based on their characteristics and needs. Specific goals and commitments are defined, as well as the tools for dialogue to be used with each one'. As indicated below, there has been engagement on human rights issues in the last two reporting years. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a>]</li> <li>Met: Frequency and triggers for engagement: The Annual Report discloses frequency and means of engagement. For instance, employees through UNI Global Union Agreement in ongoing dialogue on topics including respect for human and labour rights, and fair and decent treatment; or suppliers, which there's ongoing dialogue through the framework agreement with IndustriALL, including protection of human and labour rights. The Company does report particularly in relation to workers in the supply chain engagement through the framework agreement, as indicated below, through ongoing contact and development of joint programmes to promote industrial relations. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a>]</li> <li>Met: Workers in AP SC engaged: The company indicates that 'Our relations with IndustriALL Global Union, (...) are governed by a mutual commitment to collaboration. We regularly share the complete list of our supply chain, at all levels</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>and in all processes, with IndustriALL, including purchasing volumes and sustainability compliance levels. This principle of transparency, along with Access to all the production units of all of our suppliers, allows the two organisations to collaborate in an efficient way, establishing relations between local members of IndustriALL Global Union and Inditex's local Sustainability teams. The result of this is joint programmes to promote mature industrial relations in Turkey (17), India (1), and Bangladesh (23), which in 2018 benefitted some 74,903 workers'. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a>]</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Analysis of stakeholder views and company's actions on them: The company indicates that 'In 2018, for the eighth year in a row, this materiality analysis has been done with the participation of both our internal and external stakeholders'. The materiality matrix is disclosed. The company then discloses the list of organisations that have been consulted in the definition of material issues for 2018. Moreover, in its Human Rights Policy, the company states that 'based upon a review of its business model and the expectations of its stakeholders, Inditex has identified such Human Rights, both non-labour and labour, directly related to its value chain'. It is not clear, however, that the matrix reflects the inputs given by affected or potentially affected stakeholders. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a> &amp; Human rights policy, 01/2019]</li> </ul>

## B.2 Human Rights Due Diligence (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
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: As indicated below, the Company has a due diligence process to identify risks in its supply chain. No evidence found of an human rights risks and impacts in its own operations. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.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> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Ongoing global risk identification: The process described above took place in 2018. In 2019 the Company indicates that takes place the launch of the strategy. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a>]</li> <li>• Met: In consultation with stakeholders: The Company also states that 'the involvement of all areas of the Group and external stakeholders is particularly vital'. No further information found in the Annual Report 2018. [Annual report 2016, 2016: <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>• Not met: In consultation with HR experts: The Company reports collaboration with Shift. However, it seems in the context of training in processes 'inspired' by the UN Guiding Principles. No evidence found of involvement in the identification process. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a>]</li> <li>• Not met: Triggered by new circumstances: The Company has provided comments to CHRB regarding this indicator. However, the content of these has not been found in publicly available sources.</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): 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.(...) 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'. 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). In the figure 'why these spheres' it is only indicated 'local and global needs' and 'due diligence'. [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>• Met: Public disclosure of salient risks: The company indicates that 'The Workers at the Centre programmes focus on seven spheres of action established through a due diligence process and paying attention to local and global needs. These areas have been identified thanks to our close relations with workers and their communities by means of the clusters: 'Worker participation'; 'Living wages', 'Responsible purchasing practices', 'Women empowerment', 'occupational health and safety', 'protection of migrants', 'training and awareness'. [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 requirements under score 1 met</li> </ul>
B.2.3	Integrating and Acting: 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 Company indicates that it designs programmes ('workers at the centre') in the different clusters covering different issues: 'These projects and lines of work are in areas we believe need to be strengthened, once the results obtained in the Compliance programme have been analysed. In turn, all projects are related to relevant Human Rights and allow us to focus our efforts on the most vulnerable groups in the supply chain'. 'The local circumstances, strengths and areas of improvement are analysed in detail through the diligence processes in order to develop, as a priority, the most relevant programmes for each community'. There are programmes related to 'protection of migrants', 'living wages', 'occupational health and safety' and 'women's empowerment'. [Annual report 2016, 2016: <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 programme to ensure that none of the Company's suppliers in the region uses this system 'takes specific actions in all areas where work to eradicate the system can be done, such as factories themselves, the relationship with authorities and international organizations such as the Ethical Trading Initiative and, in the rural community, directly with families'. 'Among the actions carried out are the identification of all the spinning mills used by our suppliers and the promotion of payment to the workers of Inditex's suppliers through bank accounts in order to increase transparency in the wage payment system'. [Annual report 2016, 2016: <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: 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> <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'. However, it is not clear that it is an example 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. [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: Although the Company describes its identification process for supply chain, no evidence found of the Company following a human rights risks and impacts identification process for its own operations. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a>]</li> <li>• Not met: Comms plan re assessing risks: See indicator B.2.2. Although the Company discloses which are its key human rights issues, it is not clear how the system takes factors into account to determine which are salient.</li> <li>• Met: Comms plan re action plans for risks: See indicator B.2.3 [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a>]</li> <li>• Not met: Comms plan re reviewing action plans</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> <li>• Met: Including AP suppliers: Work carried out mostly refers to suppliers impacts. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Responding to affected stakeholders concerns</li> <li>• Not met: Ensuring affected stakeholders can access communications</li> </ul>

### C. Remedies and Grievance Mechanisms (15% of Total)

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	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Met: Channel accessible to all workers: As stated in the Human Rights policy 'Inditex relies on a Committee of Ethics and a Whistleblowing Channel to ensure compliance with this Policy, and receive and attend to any comments, doubts or complaints regarding its construction, enforcement or compliance'. [Human rights policy, 12/2016: <a href="http://inditex.com">inditex.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Number grievances filed, addressed or resolved: The company indicates that 'in 2018, the Committee of Ethics has processed 302 cases in aggregate. Further to the relevant investigations, no evidence of violation of Human Rights has been found, neither regarding Inditex's employees nor its suppliers of goods and/or services'. However, 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). [Annual Accounts, Management Report and Audit Report 2018, 31/01/2019: <a href="http://inditex.com">inditex.com</a>]</li> <li>• 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'. [Human rights policy, 12/2016: <a href="http://inditex.com">inditex.com</a>]</li> <li>• Met: Opens own system to AP supplier workers: 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 direct relationship or commercial or professional interest with Inditex' [Code of conduct for manufacturers and suppliers: <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	2	The individual elements of the assessment are met or not as follows: Score 1 <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: <a href="http://inditex.com">inditex.com</a>]</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• 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'. [Code of conduct for manufacturers and suppliers: <a href="http://inditex.com">inditex.com</a>]</li> <li>• Met: AP supplier communities use global system: The Annual report indicates that 'All employees of Inditex, manufacturers, suppliers or third parties with any direct relationship and a lawful business or professional interest, regardless of their tier or geographic or functional location may report to the Committee of Ethics through this Whistle Blowing Channel any breach of Inditex's conduct and regulatory compliance policies which affect the Group, and which arise from any employees, manufacturers, suppliers or third parties with whom the Inditex Group has any direct employment, business or professional relationship, by means of a report made in good faith'. [Annual report 2016, 2016: <a href="http://inditex.com">inditex.com</a>]</li> </ul>
C.3	Users are involved in the design and performance of	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Engages users to create or assess system: The Company has provided comments to CHRB regarding this indicator. However, this document or its content has not been found in publicly available sources.</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
	the channel(s)/mechanism(s)		<ul style="list-style-type: none"> <li>• Not met: Description of how they do this</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Engages with users on system performance</li> <li>• Not met: Provides user engagement example on performance</li> <li>• Not met: AP suppliers consult users in creation or assessment</li> </ul>
C.4	Procedures related to the mechanism(s)/channel(s) are publicly available and explained	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Response timescales: 'The Company indicates that 'Inditex's main grievance mechanism is the Whistle Blowing Channel managed by the Ethics Committee'. Moreover, 'upon receipt of any report, the Committee of Ethics shall verify first whether it falls under its remit. If such were the case, the Committee of Ethics shall refer such report to the relevant department or area so that this latter would launch the relevant investigation. Otherwise, the Committee shall order the closing of proceedings'. However, no evidence found on the timescales for addressing complaints or concerns. Finally, in the engagement process 2019 with CHRB, the company refers to a document which was not found in the public domain (nor its content). [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a>]</li> <li>• Not met: How complainants will be informed: No evidence found on how the Company informs the complainants</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Escalation to senior/independent level: Although the Company indicates that the Committee of Ethics reports to the Board through the Audit Committee, it is not clear how the Company may escalate specific complaints to more senior levels or to independent parties.</li> </ul>
C.5	Commitment to non-retaliation over complaints or concerns made	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Public statement prohibiting retaliation: The Code of Conduct and responsible business practices, in relation to the performance of the Committee of Ethics duties that it shall ensure 'non-retaliation against any complainant as a result of bringing complaints in good faith to the Committee'. [Code of conduct and responsible business practices, 07/2012: <a href="http://inditex.com">inditex.com</a> &amp; Code of conduct for manufacturers and suppliers: <a href="http://inditex.com">inditex.com</a>]</li> <li>• Not met: Practical measures to prevent retaliation: The Company has provided comments to CHRB regarding this indicator. However, this document or its content has not been found in publicly available sources (whistleblowing procedure).</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Has not retaliated in practice</li> <li>• Not met: Expects AP suppliers to prohibit retaliation: No direct evidence found of the Company expecting suppliers to prohibit retaliation against its employees and other stakeholders for reporting concerns. [Annual Accounts, Management Report and Audit Report 2018, 31/01/2019: <a href="http://inditex.com">inditex.com</a>]</li> </ul>
C.6	Company involvement with State-based judicial and non-judicial grievance mechanisms	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> <li>• Not met: Won't impede state based mechanisms: The Company provided a comment to CHRB in relation to this indicator. However, this evidence was not supported by a publicly available source.</li> <li>• Not met: Complainants not asked to waive rights</li> </ul> Score 2 <ul style="list-style-type: none"> <li>• Not met: Will work with state based or non judicial mechanisms</li> <li>• Not met: Example of issue resolved (if applicable): CHRB has not identified any documents in the public domain which provide all the information required to meet this indicator. No further information found.</li> </ul>
C.7	Remedying adverse impacts and incorporating lessons learned	1	The individual elements of the assessment are met or not as follows: Score 1 <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'. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">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,,<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>• Not met: Says how it would remedy key sector risks</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Changes introduced to stop repetition: The Company indicates that 'workers are the heart and focus of all of our activities in the supply chain. With our Workers at the Centre programmes we contribute to the Sustainable Development Agenda, mainly to the SDGs most closely related to the strategy, and in particular those goals in which our supply chain has the greatest impact'. Also, 'The health and safety of workers is a key element of our strategy to ensure the sustainability of our supply chain. In 2018, we implemented initiatives and programmes designed to meet the needs identified and generate a positive impact on the ground thanks to the experience of our local teams, close collaboration with stakeholders, and objective, quantifiable information from our Compliance Programme'. However, this indicator looks for evidence of the Company introducing some particular change to its systems or procedures to prevent a specific adverse impact from happening again. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.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</li> </ul>

## D. Performance: Company Human Rights Practices (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.1.b	Living wage (in the supply chain)	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: Living wage in supplier code or contracts: The Code for suppliers indicates that wages paid meet at least the minimum legal or collective bargaining agreement, should this latter be higher. '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' [Code of conduct for manufacturers and suppliers: <a href="http://inditex.com">inditex.com</a>]</li> <li>• Met: Improving living wage practices of suppliers: One of the 'work at centre' programmes deals with living wages. The Company indicates that 'the role of workers' representatives is essential for improving conditions, including wages: 'a wage and, in general, decent working conditions are those that have been negotiated and agreed between employers and the freely-elected workers' representatives. To achieve this, Inditex carries out training programmes for workers and facilitates the election of their representatives'. 'In 2016, training was carried out in three factories in Turkey with over 800 workers benefiting. The democratic election of 32 workers' representatives was also favoured at four factories in Bangladesh'. It also indicates that collaborate with other stakeholders for achieving decent wages: 'the ACT initiative is an agreement between brands and workers' representatives to establish a cooperation that promotes the attainment of living wages in the industry'. The initiative tries to 'transform the industry and achieve decent wages in the sector through collective bargaining'. Finally, the 'Lean project' within the supply chain has the aim of improving working conditions, including wages, by means of improved production management systems. [Annual report 2016, 2016: <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> <li>• Met: Provide analysis of trends demonstrating progress: In addition to the progress mentioned above, the Company discloses the compliance with the code in relation to wages, which has increased from 72.4% in 2014, to 74.2% in 2015 and 75% in 2016. [Annual report 2016, 2016: <a href="http://inditex.com">inditex.com</a>]</li> </ul>
D.2.2	Aligning purchasing decisions with 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: Avoids business model pressure on HRs: The Company discloses its commitment in purchasing practices, including 'provide training on best purchasing practices', 'clarify the purchasing process for suppliers', 'identify and isolate the labour costs of the product: include and respect wages when negotiating a product', 'suppliers are paid according to fair conditions previously agreed between the parties', 'responsible disengagement'. It indicates that 'our sustainability teams collaborate with purchasing teams and provide them with continual training to facilitate the payment of living wages. In 2018, some 142 members of our purchasing teams took part in training in this sphere, while 107 individual sessions were also held involving buyers from local teams'. The Company also indicates that connected with ACT framework [Action, Collaboration, Transformation initiative], its 'Purchasing Practices Self-Assessment tool' has served to 'identify and implement the aforementioned commitments and it will guide Inditex's action over the next year'. [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>• Met: Positive incentives to respect human rights: The Company indicates that it has trained buyers and has given them 'practical tools to make purchasing more sustainable and that favour those suppliers with the greatest degree of compliance in social and environmental issues'. 'Thanks to this, the purchase from suppliers with the highest social ratings (A or B), in 2016 accounted for 95% of the total, which shows how the purchase has been oriented correctly in favour of suppliers with a highest degree of sustainability compliance'. No further information found in the Annual Report 2018. [Annual report 2016, 2016: <a href="http://inditex.com">inditex.com</a> &amp; Annual Accounts, Management Report and Audit Report 2018, 31/01/2019: <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>
D.2.3	Mapping and disclosing the supply chain	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: Identifies suppliers back to product source: The Company has developed a trace all its suppliers and manufactures: 'Traceability does not end with our first tier suppliers - outsourced suppliers with whom we have direct business dealings-, but rather stretches all the way to the last link in our production chain'. It has developed a specific system of direct communication with suppliers that 'allow us to control all purchase orders and analyse our production performance every step of the way. To ensure suppliers are making our products where they claim to be and under the right conditions, we carry out traceability audits'. [Traceability on website: <a href="http://inditex.com">inditex.com</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Discloses significant parts of supply chain and why: The Company discloses on its website a world map. For each country, the Company discloses the amount of suppliers, factories, and social programmes in which it is involved. In addition, in the Annual report it discloses the total amount of suppliers (1,805) and factories (6,959) by world region and by type of work carried out. Finally, it also discloses the information by clusters of suppliers. It has clusters in 12 clusters, that account for more than 95% of the production. The company indicates that 'in an exercise of accountability and transparency, we share all the information about our supply chain with our stakeholders. In this way, not only do we meet our commitment to transparency, but we also promote a more sustainable management of the supply chain'. The Company then goes on disclosing a list to stakeholders and the action it takes with each of them. No evidence found, however, of the Company including names and addresses of suppliers representing the most significant part of the supply chain (the Company to indicate what is the most significant part). [Around the world on website: <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> </ul>
D.2.4.b	Prohibition on child labour: Age verification and corrective actions (in the supply chain)	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>• Not met: Child Labour rules in codes or contracts: The Company indicates that '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. 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'. No evidence found, however, of guidelines on verifying the age of job applicants. The Company has provided comments to CHRB regarding this indicator. However, the source or its content has not been found in public domain. [Code of conduct for manufacturers and suppliers: <a href="http://inditex.com">inditex.com</a>]</li> <li>• Met: How working with suppliers on child labour: The Company indicates that 'we do not tolerate child labour. We will never initiate a business relationship with a supplier that employs workers under the age of 16. That commitment extends to markets which permit a lower minimum working age. These stringent standards require further development which is why we have created a remediation system devoted exclusively to the prevention of child labour and to defending children's right to education, without undermining their families' financial income'. [Fundamental Rights at Work, 23/07/19: <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> <li>• Met: Provide analysis of trends demonstrating progress: The Company discloses a chart with percentage of compliance by world region for the last two years. For 2015 and 2016 compliance in relation to child labour was above 90% in active factories in all regions. No evidence found in the latest two reports of trend data. Evidence seems to refer only to last reporting year. [Annual report 2016, 2016: <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> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.5.b	Prohibition on forced labour: Debt bondage and other unacceptable financial costs (in the supply chain)	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: Debt and fees rules in codes or contracts: The code for suppliers states that '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"'. It also states that 'manufacturers and suppliers shall not make any withholdings and/or other deductions from wages for disciplinary purposes, nor for any reasons other than those provided in the applicable regulations, without the express authorization of workers'. [Code of conduct for manufacturers and suppliers: <a href="http://inditex.com">inditex.com</a>]</li> <li>• Not met: How working with suppliers on debt &amp; fees: The company discloses its corrective action plan procedure to be taken in case of breach of compliance with the code. However, no information found on how the company works with suppliers to eliminate imposing any financial burdens on workers specifically. [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 requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made: The Company provides a chart showing the level of performance regarding forced labour, although it is not clear the performance in relation to this specific topic. No further information found. Also, evidence refers to last reporting year only. No evidence found of trends. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a>]</li> </ul>
D.2.5.d	Prohibition on forced labour: Restrictions on workers (in the supply chain)	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: Free movement rules in codes or contracts: Regarding forced labour and restrictions on workers the Code for suppliers also states : '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'. [Code of conduct for manufacturers and suppliers: <a href="http://inditex.com">inditex.com</a>]</li> <li>• Not met: How these practices are implemented and monitored for agencies, labour brokers or recruiters: The company discloses its corrective action plan procedure to be taken in case of breach of compliance with the code. However, no information found on how the company works with suppliers to improve their performance in forced labour related to restriction of movement. [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 requirements under score 1 met</li> <li>• Not met: Provide analysis of trends in progress made: The Company provides a chart showing the level of performance regarding forced labour, although it is not clear the performance in relation to this specific topic (forced labour related to movement restriction). No further information found. Also, evidence refers to last reporting year only. No evidence found of trends. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a>]</li> </ul>
D.2.6.b	Freedom of association and collective bargaining (in the supply chain)	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: FoA &amp; CB rules in codes or contracts: In addition to respecting the freedom of association and the right to collective bargaining, the code also states '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'. In addition, the Company has a Global Framework Agreement with IndustriALL covering the Company's entire supply chain'. [Code of conduct for manufacturers and suppliers: <a href="http://inditex.com">inditex.com</a> &amp; Annual report 2016, 2016: <a href="http://inditex.com">inditex.com</a>]</li> <li>• Met: How working with suppliers on FoA and CB: One of the Company's 'worker at the centre' programmes focuses in worker participation. The Framework Agreements has three lines of work which include supply chain transparency, joint interventions to address labour issues that may arise in the supply chain, promotion of initiatives that favour decent wages, and implementation of programmes at the local level. Regarding this last line, the Company indicates that 'since the agreement was signed, over 80 factories have been the subject to specific training and worker representation programmes'. The Company reports different cases of work carried out to improve suppliers' practices. [Annual report 2016, 2016: <a href="http://inditex.com">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: Both requirements under score 1 met</li> <li>• Met: Provide analysis of trends in progress made: The Company discloses a chart with the level of compliance, showing improvement between 2015 and 2016. In addition, it states that: 'Throughout 2016, under the umbrella of the Framework Agreement, programmes have been implemented in 21 factories of our supplier clusters, involving 18,634 workers. The programmes have covered numerous initiatives of different kinds with the defence of workers' rights at its core'. It discloses a maps with the number of factories involved in programmes and workers affected, by country. [Annual report 2016, 2016: <a href="http://inditex.com">inditex.com</a>]</li> </ul>
D.2.7.b	Health and safety: Fatalities, lost days, injury rates (in the supply chain)	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>• Met: Sets out clear Health and Safety requirements: The Company sets out requirements in the code for suppliers, that shall ensure 'minimum conditions of light, ventilation, hygiene, fire prevention, safety measures and access to drinking water supply'. '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'. [Code of conduct for manufacturers and suppliers: <a href="http://inditex.com">inditex.com</a>]</li> <li>• Not met: Injury rate disclosures: The company provided data related to its own operations, however, CHRB looks for the injury rates of its suppliers. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a>]</li> <li>• Not met: Lost days or near miss disclosures: The company provided data related to its own operations, however, CHRB looks for the lost days rates of its suppliers. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a>]</li> <li>• Not met: Fatalities disclosures: The company provided data related to its own operations, however, CHRB looks for fatality rates of its suppliers. [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>• Met: How working with suppliers on H&amp;S: One of the Company's 'worker at the centre' programmes focuses in occupational health and safety. It 'reached over 421,632 workers in five countries in 2018, ranging from training actions to specialized risk assessments and establishment of workers' committees'. The Company reports on specific work carried out in Portugal, Morocco, India, Bangladesh and Pakistan. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a>]</li> <li>• Met: Provide analysis of trends in progress made: The Company reports on degree of compliance with the strategic objective on health and safety (part of the 'work at the centre' programmes). It shows improvements between 2015 and 2016 in relation to 'auditing system designed to evaluate and improve management methods', 'ensure sustainable compliance with the code of conduct for manufacturers and suppliers' and 'corrective action plans targeted at improving management systems, with self-assessment and worker participation'. The Company discloses figures for the global activities carried out in 2016, including participation, awareness and training, improvement of management systems in Morocco, and assessments carried out. No further information found in the Annual Report 2018. [Annual report 2016, 2016: <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> </ul>
D.2.8.b	Women's rights (in the supply chain)	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>• Not met: Women's rights in codes or contracts: The Non-discrimination statement of the code for suppliers includes gender and refers to compensation and promotion. However, no specific guidelines for women's rights, including health and safety concerns that are particularly prevalent among women workers found in its contractual arrangements with its suppliers or in its supplier code of conduct. [Code of conduct for manufacturers and suppliers: <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: How working with suppliers on women's rights: The Company indicates that 'Inditex's Women Empowerment Strategy in the Supply Chain was approved in 2017. Since then, we have made progress that has allowed us to encompass a greater number of countries and initiatives. One of our guiding principles is to act in a global way, always taking into account the real situation and social and cultural norms of each country in our supply chain. We also work to ensure that everything we do has its foundations in SDG 5, which is dedicated to gender equality and the empowerment of women and girls. Based on this SDG, we have defined three pillars within this strategy: health, protection and empowerment'. On its website, it describes the three pillars including the activities carried out in each area and providing specific examples of implementation. In India it carries out health and gender equity projects, and in a specific region it has a project to deal with the Sumangali problem. [Annual Report 2018, 06/2019: <a href="http://static.inditex.com">static.inditex.com</a> &amp; Women's empowerment on website: <a href="http://inditex.com">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> <li>• Met: Provide analysis of trends in progress made: Being Women empowerment one of the lines of action of the 'work at the centre' programmes, the Company discloses a chart with performance in 2015 and 2016 showing improvements in the degree of compliance in ensuring compliance with the code and maintaining stable relationships of trust with suppliers. Figures also show training and awareness actions carried out in India and Turkey, and the improvement of management systems in Morocco and India. No further information found in the Annual Report 2018. [Annual report 2016, 2016: <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> </ul>
D.2.9.b	Working hours (in the supply chain)	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: Working hours in codes or contracts: The code for suppliers includes guidelines on 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'. [Code of conduct for manufacturers and suppliers: <a href="http://inditex.com">inditex.com</a>]</li> <li>• Met: How working with suppliers on working hours: The Company indicates that 'our main internal project to improve management systems and the organisation of production systems is the Lean Project developed by industrial and textile engineers from our Sustainability teams'. One of the specific objectives of the Lean project is to improve working conditions. Among other aspects, it covers working hours. ' Apart from the Lean Project, another noteworthy Project in a Chinese factory (277 workers) in 2018 produced a detailed analysis of the factory's remuneration and working hours management systems. This analysis enabled a very detailed assessment of these parameters, as well as other aspects related to production planning or staff turnover. Improvements were implemented that are currently in a trial phase before being extended to other factories within China and in other countries'. [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>• Met: Both requirements under score 1 met</li> <li>• Met: Provide analysis of trends in progress made: The Company discloses a chart showing performance on working hours by world region. It remained at more than 90% of compliance in Africa and America in the last two years, about 50% compliance both years in non-EU Europe and below 50% compliance in Asia. In the Annual Report 2018, the company discloses the chart performance on working hours by region again. In Africa it is 70%, America and in EU- Europe 90%, Non-EU Europe and Asia less than 50%. [Annual report 2016, 2016: <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> </ul>

## E. Performance: Responses to Serious Allegations (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		<ul style="list-style-type: none"> <li>• <b>Headline:</b> Workers at suppliers for H&amp;M, Zara and Gap were allegedly abused.</li> <li>• <b>Area:</b> Excessive overtime in supply chain</li> <li>• <b>Story:</b> A report published in 2016 by Students and Scholars Against Corporate Misbehaviour (SACOM) alleged that workers at suppliers for Gap, H&amp;M and Zara (an Inditex brand) were forced to work excessive hours to meet unreasonably tight delivery schedules. SACOM conducted undercover investigations inside four factories belonging to suppliers of GAP, H&amp;M, and Zara in China. SACOM claimed to have found a considerable disparity between the brands' supplier factory CSR policies and the reality in their Chinese suppliers' factories.</li> </ul> <p>SACOM also claimed that while the brands required their supplier factories to pay wages which can meet workers' basic financial needs, its investigation found wages were meagre. The investigation also uncovered that workers in some factories were exposed to toxic chemicals, cotton dust and other hazardous dusts without protective gear, and that worker representation in collective bargaining situations was poor.</p> <ul style="list-style-type: none"> <li>• Sources: [SACOM Website - 19/07/2016: <a href="http://sacom.hk">sacom.hk</a>][Business &amp; Human Rights Resources Center - 18/07/2016:: <a href="http://business-humanrights.org">business-humanrights.org</a>]</li> </ul>
E(1).1	The Company has responded publicly to the allegation	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: Public response available: The Company reports in a detailed way on its position on the case.</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Response goes into detail: The Company reports in a detailed way on its position on the case. It stated: "Inditex would like to note that it was not contacted by SACOM in the compilation of the report. In response, Inditex would like to make some general comments regarding the Groups Sustainability Strategy in regards to its supply chain, in particular in China; clarify some inaccuracies in the SACOM report; and to provide specific comments relating to Inditex's approach to each of the reports three conclusions." The company sent a detailed report to the Business &amp; Human Rights Resource Center where it clarifies its position on the case.</li> </ul>
E(1).2	The Company has appropriate policies in place	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: Company policies address the general issues raised:</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Policies apply to the type of business relationships involved</li> <li>• Met: Policies address the specific rights in question: The Company has published its Code of Conduct for manufacturers and suppliers on the corporate website. This requires that 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.'</li> </ul> <p>The supplier Code of Conduct is clearly integrated into the Company's procurement process.</p>
E(1).3	The Company has taken appropriate action	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: Engages with affected stakeholders: The Company has indicated it conducted audits at the suppliers mentioned in SACOM report and that these included interviews with workers. Additionally the company notes that one of the factories was under a six month corrective action plan overseen by the Inditex sustainability team. The company also notes that it visited one of the mentioned factories with the IndustriaLL global union in June 2016, with a program to establish coordinated action plans for workers welfare [Inditex response to SACOM report, 08/08/2019: <a href="http://business-humanrights.org">business-humanrights.org</a>]</li> <li>• Met: Encourages linked business to engage affected stakeholders: Inditex said that the Foshan Nanhai Nan Bao Shoes Factory "has also participated in training to include an Inditex Supplier Workshop on Social Compliance and a Workshop on Social Dialogue for Harmonious Labour Relations in Chinese Supply Chains." In relation to the Chibi Zhiqiang Garment, Inditex said the factory was currently under a strict corrective action plan supervised by Inditex Sustainability teams in China, which includes "office meetings to review documentation, visits to the factory, interviews with workers and the commitment of the factory to improve</li> </ul>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>within the given timeframe ". [Inditex response to SACOM report, 08/08/2019: <a href="https://www.business-humanrights.org">business-humanrights.org</a>]</p> <ul style="list-style-type: none"> <li>• Not met: Provides remedies to affected stakeholders: While Inditex has engaged with the two suppliers, the CHRB has not found any publicly available evidence that the company has provided remedy to the affected workers. [Inditex response to SACOM report, 08/08/2019: <a href="https://www.business-humanrights.org">business-humanrights.org</a>]</li> <li>• Met: Has reviewed management systems to prevent recurrence: In its response to the SACOM report in 2016, Inditex stated that, "The Chibi Zhiqiang Garment factory is under a strict Corrective Action Plan by the Inditex Sustainability team in China. This Plan, which will last six months, is supervised by Inditex Sustainability teams in China and includes office meetings to review documentation, visits to the factory, interviews with workers and the commitment of the factory to improve within the given timeframe and with the support of Inditex's teams. According to Inditex Compliance methodology with the Code of Conduct, if the factory does not pass the Corrective Action Plan, Inditex will cease commercial relations. It is worth noting that only 2% of Inditex's suppliers were in need of CAPs in 2015, down from 3% in 2014." It also says it has implemented a global strategy for living wages which includes Promoting collective bargaining, Collaboration with other stakeholders, Improved working methods and systems. [Inditex response to SACOM report, 08/08/2019: <a href="https://www.business-humanrights.org">business-humanrights.org</a>]</li> </ul> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Not met: Remedies are satisfactory to the victims: Whilst Inditex has engaged with the two suppliers, the CHRB has not found any publicly available evidence that the company has provided remedy to the affected workers. [Inditex response to SACOM report, 08/08/2019: <a href="https://www.business-humanrights.org">business-humanrights.org</a>]</li> <li>• Met: Has improved systems and engaged affected stakeholders: In its response the company outlines a number of improvements it has undertaken in relation to increased support for paying a living wage, improving health and safety for workers and assisting worker participation through engagement with union representatives and permitting collective bargaining, it has also engaged with the affected workers through interviews during audit procedures. [Inditex response to SACOM report, 08/08/2019: <a href="https://www.business-humanrights.org">business-humanrights.org</a>]</li> </ul>

## F. Transparency (10% of Total)

Indicator Code	Indicator name	Score	Explanation
F.1	Company willingness to publish information	3.4 out of 4	Out of a total of 40 indicators assessed under sections A-D of the benchmark, Inditex made data public that met one or more elements of the methodology in 34 cases, leading to a disclosure score of 3.4 out of 4 points.
F.2	Recognised Reporting Initiatives	2 out of 2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 2</p> <ul style="list-style-type: none"> <li>• Met: Company reports on GRI: The Company discloses a GRI content index [Annual Report 2018, 06/2019: <a href="https://www.static.inditex.com">static.inditex.com</a>]</li> </ul>
F.3	Key, High Quality Disclosures	1 out of 4	<p>Inditex met 2 of the 8 thresholds listed below and therefore gets 1 out of 4 points for the high quality disclosure indicator.</p> <p>Specificity and use of concrete examples</p> <ul style="list-style-type: none"> <li>• Not met: Score 2 for A.2.2 : Board discussions</li> <li>• Met: Score 2 for B.1.6 : Monitoring and corrective actions</li> <li>• Not met: Score 2 for C.1 : Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers</li> <li>• Not met: Score 2 for C.3 : Users are involved in the design and performance of the channel(s)/mechanism(s)</li> </ul> <p>Discussing challenges openly</p> <ul style="list-style-type: none"> <li>• Not met: Score 2 for B.2.4 : Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts</li> <li>• Not met: Score 2 for C.7 : Remedying adverse impacts and incorporating lessons learned</li> </ul> <p>Demonstrating a forward focus</p> <ul style="list-style-type: none"> <li>• Met: Score 2 for A.2.3 : Incentives and performance management</li> <li>• Not met: Score 2 for B.1.2 : Incentives and performance management</li> </ul>

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

The Benchmark is made available on the express understanding that it will be used solely for general information

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As CHRB Ltd, 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.