

# INDITEX

Thank you for the opportunity to publicly confirm –as previously transmitted to HRN Japan- that Inditex does not have any record of current or past relationship between our Group and the companies Great Honour Textile Factory Limited and ECO Base Factory Ltd. The inclusion of our name among these factories' buyers in some of the documents attached to the HRW report (which does not mention Inditex) only could be the result of a misunderstanding. With regard to Zhong Yin (Cambodia) B Textile Co. Ltd, it was an indirect supplier that provided months ago an order of 1,520 units. No more orders have been or will be placed with this factory due to production concerns.

Despite our limited ability to intervene (our purchases in this market are less than 2% of overall Inditex purchases), Inditex has always been very proactive in demanding the correct levels of Labour Rights and decent wages to the Cambodian textile sector.

In this sense, we have offered our full assistance in this task to both the Cambodian union C.CAWDU and the international trade unions federation IndustriALL, as is customary practice under the scope of the procedures regulated by the Global Framework Agreement between IndustriALL and Inditex.

We must underline the importance of this framework agreement as it has shown its relevance and efficiency in preventing and solving issues in the factories and in the supply chain. Based in the understanding that only through the joint efforts of all major players in the textile sector the never ending task of improving conditions can be achieved, Inditex and IndustriALL have worked together in solving situations in India, Bangladesh, Morocco, Brazil, Portugal, etc. We truly believe that this is the right path to build a solid and ethical new future for the sector. Mr. Jyrki Raina, secretary general of IndustriALL, has stressed the importance of how this procedure "has developed robust systems to prevent, control and remedy" potential breaches against workers' rights.

It is of importance also to highlight our support of the ILO 'Better Factories' Initiative, which has been implemented in Cambodia. We believe that initiatives like this, in which all major players included Governments must be involved, are key to succeed in our purpose.

Finally, we would like to mention the long-term commitment of Inditex, alongside other international apparel-makers, to establishing an adequate labor conflict resolution system in Cambodia. We believe that encouraging steps have been taken in this direction of late and that continued progress strongly depends on engaged dialogue and collaboration among all the vested parties, namely employers, trade unions, buyers and NGOs.

**Communication and Corporate Affairs Division**

**INDITEX**