



Zara (Inditex)

Corporate banners: Zara, Pull and Bear, Massimo Dutti, Bershka, Stradivarius, Oysho, Zara Home, Kiddy's Class
Type of company: Public, ITX: IBEX

Notes on Findings	Company Score	Question Weighting (% of section)
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1. Governance and Risk Management

1.1 Board level responsibility for ethical issues in the supply chain -No reported evidence of formal board sub-committee or board member with explicit responsibility for ethical issues in supply chain	0	40
1.2 Reporting of labour standards issues in the supply chain as a risk factor -There is mention of labour standards issues as a risk factor in the annual reports.	66.7	30
1.3 Risk analysis of labour standards issues in the company's existing supply chain -There is evidence of a risk analysis of labour standards issues in the company's supply chain <i>p. 52-53, Social and Environmental Performance Report 2005.</i> http://www.inditex.com/en/downloads/Annual%20Report%20INDITEX%2005_Book%203.pdf	100	30
Section total score / section weighting	50	X 10%

2. Code for Labour Standards in the Supply Chain

2.1 Quality and scope of the code for labour standards in the supply chain -There is a "Code of Conduct for External Manufacturers and Workshops" - The code is consistent with core ILO conventions - There is no living wage provision - There is no hours of work provision.	50	60
2.2 Publication and availability of the code for labour standards in the supply chain -Code is publicly available on the company website http://www.inditex.com/en/corporate_responsibility/social_dimension/code_conduct	100	20
2.3 Application of the code for supply chain labour standards -The standards apply to entire breadth of production. <i>p. 46, Social and Environmental Performance Report 2005</i>	100	20
Section total score / section weighting	70	X 15%

3. Stakeholder Engagement

3.1 Multi-stakeholder processes -Members of ETI <i>p. 54, Social and Environmental Performance Report 2005</i>	100	30
3.2 Engagement with NGOs and/or trade unions relating to labour standards in the supply chain -company reports involvement with MFA Forum and is involved in in-country engagement in Bangladesh, Lesotho and Morocco. <i>p. 46, Social and Environmental Performance Report 2005; http://www.mfa-forum.net/</i>	75	30
3.3 Worker and third party complaints - workers and third parties have access to Ethical Trading Initiative third party complaints process.	66.7	40
Section total score / section weighting	79.2	X 20%

4. Management

4.1 Resource commitment -No reported evidence	0	25
4.2 Training for buying agents -No reported evidence	0	25
4.3 Training for factory management personnel and workers -Some training for factory management. <i>p. 49, Social and Environmental Performance Report 2005</i>	33.3	25
4.4 Rewards and incentives -No reported evidence	0	25
Section total score / section weighting		8.3 X 20%

5. Supply Chain Auditing and Reporting

5.1 Commitment to auditing labour standards in the supply chain -There is a commitment to auditing across the entire supply chain <i>p. 46, Social and Environmental Performance Report 2005</i>	100	15
5.2 Status of the audit schedule -An auditing work plan has been scheduled and is currently being implemented <i>p. 48, Social and Environmental Performance Report 2005</i>	100	5
5.3 Public disclosure of manufacturing sites -No reported evidence	0	10
5.4 Transparency of the labour standards auditing methodology -No reported evidence	0	15
5.5 External verification of labour standard audits -There is third party involvement but no reported evidence of input from local NGOs. <i>p. 46, Social and Environmental Performance Report 2005</i>	33.3	5
5.6 Reporting the results of audits of labour standards in the supply chain -There is broad commentary on aggregate audit findings. <i>p. 50-51, Social and Environmental Performance Report 2005</i>	40	20
5.7 Dealing with non-compliance -There is a publicly available policy for handling instances of non-compliance but it does not include a staged approach to dealing with violations. <i>p. 47,49, Social and Environmental Performance Report 2005</i>	66.7	15
Section total score / section weighting		44.7 X 35%

Total Score **49** /100