



15th anniversary

of the first

**GLOBAL FRAMEWORK
AGREEMENT**

in the worldwide Garment Industry:

IndustriALL Global Union - INDITEX

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October 4th is the 15th anniversary of the signing of the Global Framework Agreement on the part of international trade unionism, then known as the **International Textile, Leather and Garments Workers' Federation**, and now **IndustriALL Global Union**, with **INDITEX**, the Spanish international in the clothes industry, which was, and still is, the sector's global leader.

At the time of its signing, Spanish trade unionism **had been working for 5 years**, since 2002, on the defence of workers' rights in the production chains of Spanish multinationals in the global garment industry, with a view to reaching this type of Framework Agreements. The signing in **2007** with Inditex was the first in this industrial sector, the first and only one in all industry sectors to include the entire global supply chain, specifying the commitments with the brand and recognised rights in relation to trade union intervention.

Until 2015, the GFA with Inditex was still the only one of its kind. From 2015 down to the present today, a total of **7** other global trade union agreements have been signed **in the garment industry**, **3** of which are Spanish (**Mango, El Corte Inglés, and Tendam**), with the other **4** being: **H&M** (2015), **Tchibo** (2016), **Asos** (2017) and **Mizuno** (2020).

On the **10th anniversary** of its signing, in **2017**, we published an extensive evaluation¹ of the trade union work's significance throughout the global supply chain and in Spanish workplaces (headquarters, logistics, and factories in Galicia). We are now updating this evaluation, paying special attention to the new experiences that have taken place in this period up to the **15th anniversary**.

The date of October 7 coincides with the one chosen by the International Trade Union Confederation (ITUC), at its foundational congress in 2006, as a symbol and annual reference point for decent work in the world. Starting from this congress, and from 2008 onwards, the Global Action Day (GAD) has been organised to remind governments the world over about the priority of such. It is also a time to set new and immediate goals, so that this day really does help to advance decent work, to make it a day for uniting the global working class in common initiatives.

On the basis of this demand, and by means of the different trade union structures, we have to project trade union work not only as a day of trade union demands, but also as an occasion for guaranteeing decent work in the world, with ongoing work in all trade union spheres. **We hope to contribute to this objective by means of this evaluation, on this 15th anniversary, on the part of CCOO-Industry, whose activity is based on the commitment attained with this Global Framework Agreement throughout its supply chain.**

Its promotion and application enhance the value of the experiences of the international agreements signed by other Spanish companies in the sector, who are taking the lead in these matters, regarding which our intervention is helping to guarantee decent work for the workers in the Spanish multinationals' supply chains. This contribution towards guaranteeing "decent work" in supply chains should be one of global trade unionism's priority objectives, in the permanent defence of decent work for the working class worldwide. It is of essential interest to everyone to demand decent work throughout the world, out of conscious solidarity, as well as to defend our own, more immediate interests.

¹ <https://industria.ccoo.es/5ffa04a491584d076248dacd7957aeac000060.pdf>

1.- Evaluation of these 15 years of the Global Framework Agreement

From the beginning of our work with the multinationals' supply chains, we have assumed that the defence of decent work in the world is only possible with the essential commitment of the labour and trade union groups in the multinational's headquarters, as well as the groups more directly involved ("impacted" by the business activity), in this case, the workers and trade unions in the countries included in the supply chains. This evaluation also includes permanent dialogue with Inditex's management for negotiating and signing, first of all the **IFA** and then the new additions to its content in the successive renewals, thereby becoming the **GLOBAL FRAMEWORK AGREEMENT (GFA)**, along with its application, and the discussion and solving of the problems derived from it.

This trade union action has involved three main instruments: **1) the permanent relationship with local trade unions**, and with **many of the factories in the chain**, on the part of the trade union coordination carried out by IndustriALL Global Union and the General Coordinator, as well as with Inditex's management, particularly with its Sustainability Department; **2) visits to many of the factories that supply Inditex's different brands**, some of which also supply other Spanish multinationals, with some of whom we have also subsequently established **TRADE UNION AGREEMENTS** (the aforementioned ones with Mango, El Corte Inglés, and Grupo Tendam); **3) trade union training in the supply chain's countries**; and **4) dealing with specific, everyday problems throughout the chain**, with analysis, negotiation and proposals for their solution, leading to effective results in most cases.

1.1.- Working with local trade unions and factories in the global chain

The following are the essential characteristics of this activity, supplemented and completed by the aforementioned permanent relationship with the International Trade Union Confederation and the General Coordinator:

- a. **Trade union information for each trade union in the production countries**, directly or by means of the International Trade Union Confederation, IndustriALL Global Union, with the location and main characteristics of the factories in each country, along with the corresponding data in each case.
- b. **Visits to the countries where the supply chain's factories are located:**
 1. **Visited countries:** Portugal, Marruecos, Tunisia, Turkey, India, Cambodia, China, Bangladesh, Sri Lanka, Vietnam, Argentina, Brazil, Bulgaria, Myanmar, Ethiopia, and Uzbekistan.
 2. **The format of the visits**, normally carried out by a **joint business-trade union delegation** (Inditex's CSR Department, later renamed its "Sustainability" Department, **CCOO** on all, and **UGT** on some, occasions, along with **local trade unions**). We were also sometimes accompanied by members of the International Trade Union Confederation's management, firstly from **FITTVC**, and then from **IndustriALL Global Union**, which the former became part of, and occasionally by some NGOs.
 3. **Prior meetings with the country's most representative local trade unions** to give them a list of the country's suppliers and establish a work plan for such visits, and invite them to accompany us. In some countries (Morocco, Portugal, Turkey, Vietnam, and China), we also participated in Inditex's meetings with groups of its main suppliers, in

order to inform them about and discuss the GFA's content as well as its application and follow-up.

4. **The format of the work carried out during these full-day visits** was as follows: **1) Joint meeting** between the business-trade union delegation and the company management. **2) Joint visit to the installations and selection by the trade union representatives of workers to be interviewed.** **3) Meetings solely between the trade union representatives and individual workers,** speaking about their own particular employment record, their concerns, opinions... **4) Trade union meeting with the workers' representatives** (labour, health and safety... committees) and with the company trade union, where applicable, to discuss the same matters. **5) Final joint meeting with the company management** to evaluate the visit and the meetings, as well as presenting possible trade union proposals in relation to the workplace's reality, with a view to better applying the GFA.
5. **Starting in 2021, we have included a negotiated programme** as a protocol for implementing the action plan, which includes visits on a local level to make it easier for the trade unions in producing countries to carry out such visits, without the presence of the headquarters' trade unions.
- c. **Trade union training in the countries of the supply chain** in relation to the GFA, experiences regarding its application and future plans, mainly centred on factory workers and local trade unions, as well as this chain's company managers.
- d. **Subsequent trade union evaluation reports, which are widely distributed.** After each trip, we prepare extensive trade union reports featuring data and evaluations regarding the country, the **visits carried out and obtained results**, including details of what we point out in this overall report.
- e. **Intermediation and solution of cases and complaints** with regard to the potential or verified infringement of what was agreed in the GFA.
- f. **As of 2019, this activity has been included in the Global Trade Union Committee's annual Action Plan**, which is discussed with local trade unions and in each of the groups or clusters, with half-yearly follow-up.

1.2.- Obtained results

The trade union work and its results in INDITEX's supply chain can be summarised as follows:

- a. **Compensation for non-payment of wages**, with the multinational(s) paying the wages owed workers by a supplier company. In such a situation, we trade unions suggested that the multinationals should do so in proportion to their purchases in the latest period, occasionally along with the employers' organisation in the country and in some cases with a contribution from the country's government too, following the model that is indicated below in relation to compensation for the victims of disasters, after the **Spectrum** collapse in Bangladesh in 2005. In the case of companies that are still operating, pressure from their main clients is sufficient. Many cases have been resolved during these years, some of the most emblematic of which are those of **Jeans Plus** (2015, in Bangladesh), **Bravo** (2017, in Turkey), **Co-Sek** (2017, in Cambodia) or **Myanmode** (2020, in Myanmar).
- b. **Wages during technical standstills for important repairs.** This was an important problem in the process of applying the Bangladesh "Accord" when, as a result of the inspections carried out, problems were detected that required stopping some or all of the installations. In these cases, the business-trade union organisation derived from the Rana Plaza tragedy has

proved to be very effective, in parallel to inspections in order to detect the problems giving rise to the technical standstills. The corresponding trade union reports indicate a correct response by Inditex, which assumed its part of the cost, including the case of the **Shyms** company (2016) in Bangladesh.

- c. **Compensation for the victims of structural problems and accidents**, fires, and collapses. This has mainly been applied in Bangladeshi factories up to now. The first important case was the aforementioned **Spectrum** one in 2005, in which the following economic distribution was agreed: 1) **among the purchasing multinationals, 50%** of the total, distributed among them in proportion to their amount of purchases in the latest period, and 2) the other **50%** to be distributed among the local agents (government, employers' organisation, and the affected company/companies). This model was subsequently applied in other cases, such as the aforementioned **Shyms** one. The same compensatory objective was pursued in the long process aimed at compensating the **Rana Plaza** victims, although this case was resolved without the capacity for a more "responsible" application and solely by means of an international solidarity fund, one of whose main promoters was Inditex, along with H&M and other large companies in the garment industry.
- d. **Regularisation of the informal economy**, with initiatives and measures for incorporating into the formal economy any supplier companies that are not complying with their legal obligations. The requirement that the entire supply chain be part of the formal economy has been one of our permanent objectives. The most significant case took place in **Brazil** with the discovery of a network of workshops, installed in houses, where Bolivian workers worked illegally and, in most, also lived (poorly). In this case, although the Brazilian trade unions (particularly Sao Paulos's "**Sindicato de Costureiras**") were investigating the matter, it was Inditex that notified us about the problem, which, with our participation, was solved thanks to the visit of a trade union-business delegation to Sao Paulo in 2011 and again in 2013².
- e. **Elimination and prevention of child labour**. In the legislation of most supplier countries in supply chains, 15 is the minimum legal age for working, although in some cases, such as India, it is 14. However, the scarce or null public control in many countries results in millions of boys and girls working in the countryside and in industry before –sometimes well before– that age. Inditex and many other global brands in the garment sector establish 16 as the minimum age in their Codes of Conduct, as pointed out by the ILO, making the enforcement of this rule an essential part of their CSR practices. Since the beginning of our trade union intervention, we have dealt with this matter and before completing the GFA, we were able to see how it was being handled, with a protocol for dealing with and solving this problem. With specific experiences (Morocco, Portugal, India, and Southeast Asia), considering this matter as a reason for cancelling an order if not resolved immediately (always after a Corrective Action Plan within a short period).
- f. **Ongoing commitment with gender problems** and their types of violence or repression in global supply chains, regarding which we have made significant progress, especially with the inclusion of the International Labour Organization's Convention 190. In relation to these concerns, we have been working with training in Turkey and with committees for the prevention of sexual harassment, which has now been extended to Bangladesh and with work carried out in India, in addition to that previously undertaken in specific initiatives dealing with **Sumangali**³.
- g. **Defence of Freedom of Association** and practical ways of developing it, with the **readmission of dismissed trade unionists and recognition of trade unions in the company and in the country**, with support for trade union organisation in the supply chain's

² <https://industria.ccoo.es/c82476cbb2b9b2cd70ca402cad166d96000060.pdf>

³ <https://industria.ccoo.es/fe5b45f1d72105e9059d95c5821a1a42000060.pdf>

different countries. This is an essential matter for the conquest of decent work. Preliminary results, prior to the first IFA in 2007, were the experiences of **Topy Top** (Peru 2007) and **Riber Rich** (Cambodia 2007), with the readmission of all trade union leaders that had been dismissed, and the recognition of the trade union and its activity in the company. Another later case, which enjoyed national coverage, was that of **Roteks Hera** (Turkey, 2012), with a general assembly in working hours with our intervention, in which the employer publicly and formally assumed the specific implementation of freedom of association. Other cases were that of **Cunhal-Alves** (Portugal, 2008) and **Ashulia** (Bangladesh, 2018) with regard to the recognition of freedom of association and, for the first time, the fully democratic election of the Health and Safety Committee. Cases such as **Ozak textil** in Turkey or **Valy** in Serbia, with direct intervention for the readmission of trade union leaders in 2021. Or the many cases during the pandemic in several factories in Myanmar, such as **Myanmode, Rui Ning, Hwbo.**

In some factories in **Turkey**, a formal trade union discussion was initiated with business managements and with the intervention of the General Coordinator for the free exercise of trade union activities, overcoming the limitations of Turkish legislation. In **Vietnam**, we implemented the experiences of a **Trade Union Network** in Inditex's supplier factories, as an instrument of direct trade union coordination, and with Inditex's formal recognition as a negotiating party. It is worth mentioning the election of **Health and Safety Committees in Bangladesh**, which have become the main representation instruments in the factories where they are elected. We should also underline the **notable advance in trade union membership in Bangladesh**, starting from active trade union participation and agreements with brands after the Rana Plaza catastrophe.

- h. **Particular attention to the work carried out under the Global Framework Agreement during the pandemic and the consequences of COVID-19**, with initiatives aimed specifically at Inditex's supply chain, participating in country and global initiatives, after many international garment brands unilaterally announced to their suppliers reductions of, in some cases, up to 12% in prices compared to the previous year, and deferrals of payments. This resulted in reduced workforces and even the closure of some supplier factories.

Due to trade union pressure, in different countries the suppliers of some multinationals, including Inditex, publicly committed themselves to maintaining, in relation to quantity and prices, their agreed orders.

During these two years, there have been conflicts in numerous factories in Inditex's supply chain since, although it has guaranteed its productions, it shares these factories with other international brands, and decreases in orders have resulted in problems regarding the non-payment of back salaries or compensation due to closures or dismissals. Also due to the lack of safety measures in factories that have reopened. Bangladesh, Cambodia, Myanmar, or Morocco are countries in which workers have responded to such situations.

The pandemic has been an evident "stress test" for our Framework Agreement and for all Sustainability commitments. It has highlighted serious deficiencies in the social welfare systems of most of the supply chains' countries.

- i. **Attention to specific problems derived from influxes of immigrants from neighbouring countries.** Immigration –managed to a better or worse degree– is not just a problem in the developed world. It affects, with its own specific characteristics, other countries such as Bangladesh (from Myanmar) or **Morocco** (from Sub-Saharan Africa) and particularly **Turkey** (from Syria, with around 3 million people, and, to a lesser degree, from Bulgaria). In all these cases, it has especially impacted the underground economy, with additional problems regarding the formal recognition of immigrants. There is an interesting experience in this respect in Turkey, where we have organised different initiatives with Spanish

multinationals in order to advance in the civil and professional recognition of Syrian workers in the country's supply chains.

- j. **Promotion of Inditex's participation in global initiatives.** In parallel to following up on GFA's application, during these years we have also paid attention to Inditex's participation in global initiatives in favour of decent work. One of the first was its participation in 2007 in the "*Fibre citoyenne*" initiative in Morocco, agreed between Inditex and the Moroccan employers' sectorial organisation AMITH, and coordinated with the country's government⁴. Inditex was then one of the first multinationals to sign *The Bangladesh Accord on Fire and Building Safety ("Accord")* after the **Rana Plaza** tragedy, although none of the collapsed factories had been one its suppliers in recent years, forming part of its Managing Committee⁵, an agreement that became, in 2021, an **International Accord** extended to the rest of the world. Inditex was also one of the garment industry's first multinationals to join the **ACT** project⁶ to promote collective bargaining in supplier countries between the main companies in the garment multinationals' supply chains and local trade unions, aimed firstly at basic trade union rights and a "**minimum living wage.**" A project that has already resulted in specific agreements in Myanmar and the latest on, in August 2022, in Turkey⁷, in which Inditex has taken on the responsibility of leading its application. It is also worth highlighting its involvement in the campaign to eradicate *Sumangali* as a practice that amounts to slave-like child labour, especially of girls and adolescents from 12 to 16, in India.

It is likewise worth pointing out its participation in the ILO's "**Call to Action**" (CtA)⁸, whose main focus has been guaranteeing the coverage of welfare systems in countries affected by COVID. It was set up in April 2020 by the ITUC and IndustriALL Global Union, along with the IOE (International Organisation of Employers). Until now, "CtA" has not collected sufficient funds to cover its objectives and has collaborated with initiatives by the EU and the German Government, organising three-party working groups for administering and distributing funds in several countries, while still experiencing bureaucratic obstacles on the part of the government in Bangladesh and Cambodia.

- k. **Advances in the knowledge of the global supply chain**, on the part of both the trade union and Inditex itself, since the suppliers in the different links of the chain do not always notify their subcontracting, which is compulsory in order to obtain the necessary authorisation. A contributing factor in this regard is our own trade union action, since such knowledge and its impact on working conditions is of interest to the workers themselves. It should be noted, on the other hand, this we have taken an important step forward in this matter by pointing to the supply of **raw materials**, which is even more complex. A first initiative has centred on **cotton**, dealt with in relation to the subject of *Sumangali in India* (which is analysed in the corresponding report mentioned above), and recently in the exploratory trip to **Uzbekistan**, likewise considered in the corresponding report that is to be published before the end of 2022.

Something that is more difficult to express in figures, although it is certainly more important, is the GFA's impact by means of its application to prevent violations of basic labour rights in all countries belonging to its supply chain, which has undoubtedly resulted

⁴ https://www.ccoo.cat/pdf_documents/presentacion_inditex.pdf

⁵ In relation to which we have written several reports, the latest of which is available here: <https://industria.ccoo.es/8565f06360a77176c9b710bbcd69b25000060.pdf>

⁶ <https://actonlivingwages.com/>

⁷ <https://actonlivingwages.com/2022/08/15/act-members-agree-on-annex-to-the-act-mou-on-respect-and-exercise-of-freedom-of-association-in-turkiye/>

⁸ https://www.ilo.org/global/topics/coronavirus/sectoral/WCMS_742343/lang--en/index.htm

from all the interventions and positive solutions to the problems faced and that are derived from the actions mentioned herein.

2.- Main points of this FRAMEWORK AGREEMENT, updated and completed in 2017 and 2019. The GLOBAL TRADE UNION COMMITTEE as the latest contribution

It is worth remembering here the main points of the Global Framework Agreement with Inditex, which have been developed from its first version in **2007** to its latest renewal in **2019**, incorporating needs derived from its application itself:

1. **Commitments acquired**, basically referring to the ILO's Conventions as a whole, with particular attention to those considered fundamental: freedom of association and right to collective bargaining, minimum living wage, right to occupational safety and health, prohibition of child and forced labour, limitation to working time, including overtime, against discrimination and sexual harassment, and all kinds of violence in the workplace, ...
2. **Transparency throughout the supply chain**, down to the last link in its suppliers and their successive subcontracting, whose application in 2022 has included the matter of raw materials, starting with cotton, with each one supplying its corporate name, address, number of workers, main production, ... A complete list of such is passed on to the General Coordinator and the International Federation so that they can examine, along with the trade unions in each country, the appropriate kinds of trade union work.
3. **Right of trade union access to all these workplaces** on the part of all the chain's trade union authorities, from the General Coordinator and structures of the International Trade Union Structure (IndustriALL Global Union) to local trade unions.
4. **Training programmes**: in addition to the trade union or business initiative to promote training and organisation in their corresponding field, with the joint organisation of programmes for a better understanding and application of the GFA.
5. **General Trade Union Coordinator**, for the permanent monitoring on behalf of IndustriALL Global Union of the GFA's application, and the promotion and coordination of the corresponding programmes.
6. A significant feature of the GFA's latest renewal involves an important advance in trade union rights thanks to two new instruments, the **Global Trade Union Committee** and the **Coordination Committee**, which, once again, constitute the first global experience in this regard in all industrial sectors, in the garment industry and all others:
 - a. The **Global Trade Union Committee**, made up of **9** members, in representation of the main groups of the industrial activity in the global Supply Chain and company headquarters: **1** from Africa, **1** from America, **4** from Southeast Asia and India, **2** from Western Europe (including headquarters) and **1** from Eastern Europe. This Trade Union Committee elects the General Coordinator and the Coordination Committee.
 - b. The **Coordination Committee** made up of **4** members: **2** from Spanish trade unionism (thereby underlining the responsibility of the headquarters' trade unions), and another **2** from the supply chain, thereby establishing the organisational basis for the necessary balance among joint labour interests that do not always coincide.
7. **Annual trade union action and implementation plan**, established in each one of the trade union "clusters," on the part of the General Coordination along with local trade unions.

8. **Trade union experts in each country or world region** for local coordination and dialogue with the corresponding Inditex delegations, as well as directly with supplier companies and with the respective employers' organisations and governments.
9. **Joint trade union-business instruments** to monitor the Global Framework Agreement's application at all levels (global, world region, and country), as well as to prevent and resolve conflicts, with reparation and compensation for any damages.
10. **Payment by the multinational of all this activity's basic expenditure.**

3.- The GFA with Inditex and today's challenges for global sustainability in the 21st century

In view of all the above, the GFA with Inditex is still an essential, ground-breaking reference point in global, transnational, and national trade union and business action, for action in favour of decent work worldwide and, thereby, for contributing to our planet's sustainability.

On the part of trade unionism (and, we hope, of the company), we are going to continue working to ensure that this experience continues to be a ground-breaking one in this global challenge for our planet's survival. At the same time, we wish that it were not so unique due to there being many more similar positive experiences in this necessary trade union and business sphere.

Meanwhile, on the part of Spanish (both national and sectorial) trade unionism and that of the company headquarters, we will continue to promote this experience that is proving to be positive for advancing the rights of the working class in many countries, also in ours, in Spain, where Inditex is based, as well as, we are convinced, a useful contribution to the global fight for our world's sustainability.

October 7, 2022