

Industria de Diseño Textil SA (Inditex)

TICKER
MCE:ITX

MARKET CAPITALISATION
US\$82.18 billion

HEADQUARTERS
Spain

DISCLOSURES

 UK Modern Slavery Act: [Yes](#)

 California Transparency in Supply Chains Act: [Yes](#)

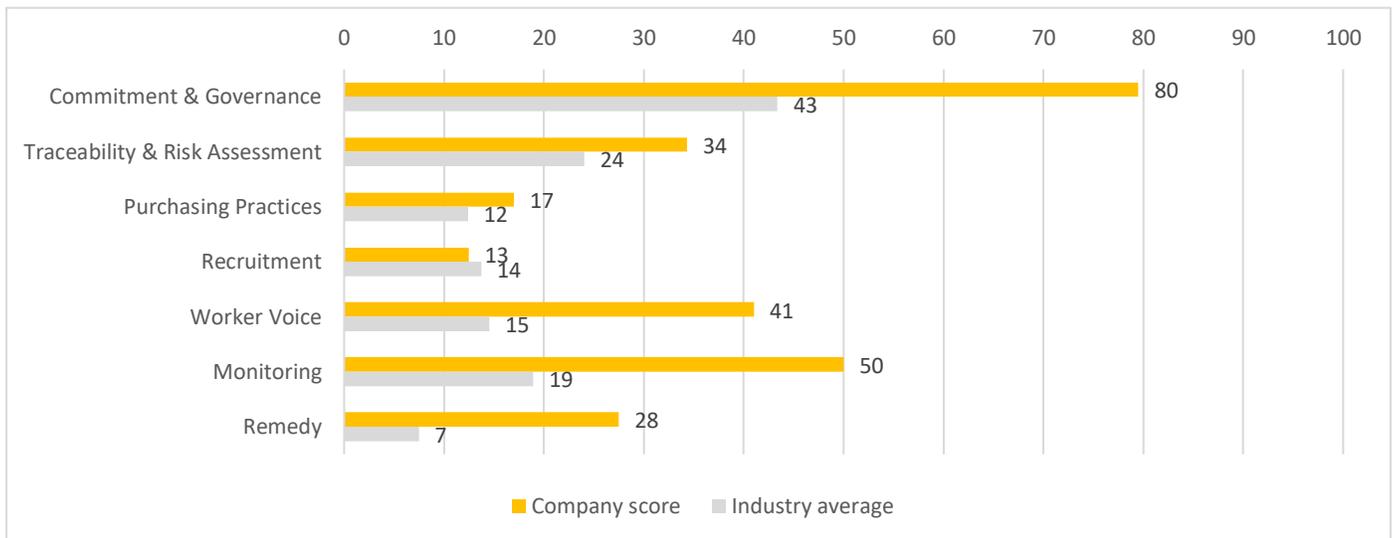
 Australia Modern Slavery Act: [Yes](#)
OVERALL RANKING

15 out of 65

2021 Rank: 9 out of 37

OVERALL SCORE

38 out of 100

THEME-LEVEL SCORES

KEY DATA POINTS
FIRST-TIER SUPPLIER LIST

Yes (partial)

RISK ASSESSMENT

Yes

DATA ON PURCHASING PRACTICES
 No

ENGAGED WITH KNOWTHECHAIN²

Yes

NO-FEE POLICY
 No

REMEDY FOR SUPPLY CHAIN WORKERS

Yes (Limited)

HIGH-RISK RAW MATERIALS¹
 Cotton, leather, rubber, viscose, and others

SUMMARY

Industria de Diseño Textil SA (Inditex), the largest apparel retailer in the world,³ ranks 15th out of 65 companies. Since 2021, the company improved by disclosing a partial list of its first-tier suppliers and an example of a remedy outcome provided to workers of its supplier in Cambodia. However, the company did not improve across other themes and performed particularly poorly on the theme of Recruitment. As such, it was overtaken by other companies in the benchmark that presented stronger disclosure, and its rank has dropped by 6 places.⁴ The company's score is based on its stronger performance on the themes of Commitment & Governance and Monitoring and above-average scores on Traceability & Risk Assessment, Worker Voice, and Remedy. Notably, Inditex is the second-highest scoring company on the theme of Commitment & Governance due to detailed disclosure on internal managerial responsibility for, and board oversight of, the implementation its supply chain standards on forced labour, and several examples of forced labour training provided to suppliers.

KnowTheChain identified one public allegation of forced labour in the company's supply chains, related to alleged Uyghur forced labour. In response to the allegation, the company denied having a relationship with the supplier in question. However, it does not disclose the concrete steps it has taken to address the risks of alleged Uyghur forced labour across raw materials and supply chain tiers.

Additional steps the company could take to address forced labor risks in its supply chains, include strengthening its disclosure and practices on the themes of Traceability & Risk Assessment, Purchasing Practices, and Recruitment.

LEADING PRACTICES

None.

OPPORTUNITIES FOR IMPROVEMENT

Traceability & Risk Assessment: The company is encouraged to strengthen its supply chain transparency by disclosing a full, rather than partial, list of its direct suppliers. The company is encouraged to further demonstrate a strong understanding of its supply chains by disclosing the countries from which it sources raw materials identified at high risk of forced labour and data on its supply chain workforce, such as the percentage of women and migrant workers (which it states it collects during supplier audits) and the percentage of workers being paid a living wage.

Purchasing Practices: The company is encouraged to disclose concrete steps it is taking to embed responsible purchasing practices, such as planning and forecasting and ringfencing labour costs, as a result of its participating in initiatives such as ACT and Better Work. The company is further encouraged to disclose steps taken to ensure prompt payment to suppliers and reduce its standard payment terms to 60 days or less. The company may consider integrating [responsible buying practices in its contracts](#) with suppliers, to ensure that the responsibility for respecting human rights is shared.

Recruitment: To avoid exploitation of migrant workers in its supply chains, the company is encouraged to establish a policy requiring that workers in its supply chains are not charged fees during any recruitment-related process. The company is encouraged to require that such fees be paid by the employer ("Employer Pays Principle") and disclose how it ensures the implementation of this through the prevention of fees in its supply chains, such as through: mapping of migration corridors and labour agencies used by suppliers, specialised monitoring for fees, and evidence of supplier payment of fees to labour agencies directly. It may also consider steps to ensure that such fees are reimbursed to the workers and/or to provide evidence of payment of recruitment-related fees by suppliers.

¹ For further details on high-risk raw materials and sourcing countries, see KnowTheChain's 2023 apparel & footwear benchmark [findings report](#).

² Research conducted through June 2023 or through September 2023, where companies provided additional disclosure or links. For more information, see the full dataset [here](#). For information on a company's positive and negative human rights impact, see the Business & Human Rights Resource Centre [website](#).

³ Statista (May 2023), "[Sales of major apparel manufacturers and retailers worldwide in the fiscal year 2022 \(in billion U.S. dollars\)](#)".

⁴ KnowTheChain's 2022-23 benchmarks use a revised methodology which prioritises a focus on the implementation of policies and processes and the outcomes they result in, as well as integrating a stronger focus on stakeholder engagement. In addition, the number of companies assessed in the ranking has increased from 37 in 2021 to 65 in 2023. See [here](#) for more information.