

## ZARA

**BRANDS**:

Zara Pull&Bear Massimo Dutti Bershka

Oysho Zara Home Uterqüe

Stradivarius

## SUPPLY CHAIN TRANSPARENCY:



Zara does not disclose names and addresses of its suppliers. → It is time for Zara to go transparent! A first step should be to comply with the Transparency Pledge, and publish data in a machine-readable format.

Formal name: Inditex HQ: Spain

Top production countries:

Revenue 2018: € 26 100 000 000 Profit 2018: € 5 400 000 000

according to brand

Direct suppliers:

Sub-contractors:

## LIVING WAGE PAID:



1985

7235

This means: No evidence on Zara's claims is public and no plausible explanation is given. → Zara needs to ensure full transparency in order to demonstrate its implementation of a living wage at the factory level.

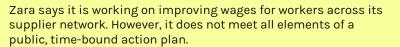
see: transparencypledge.org

**BRAND PROFILE APRIL 2020** 

Zara has published a clear commitment to ensure a living wage is paid across its supplier network.



This is a good start! We encourage Zara to put their commitment into action.





Zara should improve its plan to achieve a living wage in a reasonable time-frame.

Zara says it applies open costing models as well as the ACT methodology, in order to safeguard wages in price negotiations with suppliers, so workers' wages should not be squeezed as part of the bargain.



Zara should ensure prices paid to suppliers are sufficient to cover a living wage and social protection contribution for all workers in their supply chain.

Several benchmarks are available for companies to measure whether wages are sufficient to meet the basic needs of workers and their families.

No evidence was found of public information on gender pay gaps in its supply chain.

However, no evidence was found that the company uses any credible living wage benchmark.

The company publicly discloses some data about wages currently paid to workers at its suppliers.

Funded by the

**European Union** 

Zara reports publicly some information on the number of supplier facilities with democratically elected unions, or those covered by collective bargaining agreements.

Zara stated that a little over two thirds of their factories are paying a living wage. However, the brand has not fully explained their living wage methodology nor made public the suppliers' names and addresses and wage data. Inditex claims to audit its suppliers and says that over two thirds of them pay a living wage. However, they have not defined their terms, nor shared their audit methodology or any of the detail. It is therefore unclear on what these claims are based.