

Submitting Country, Organization, Company

Industria Diseño Textil S.A. (Inditex)

If Organization or Company, please indicate the approximate number of employees

144.000

Title of the action

Development and implementation of a new traceability policy to be applied throughout our supply chain, reinforcing current sustainability compliance requirements

Upload an image



Partners

Inditex buying teams, Suppliers, Consulting and auditing firms

Type of initiative

Private initiative

Description of action

- At Inditex, we understand traceability as the ability to identify and trace the history, application, location and distribution of products and materials.
- For us, is the cornerstone to ensuring the application of our sustainability standards, policies, and principles.
- These principles are integrated in the DNA of our company, therefore, are part of our business strategy and are present in the daily decisions making. Our global final aim is to create social and environmental value throughout our operations.

Type of action

Traceability

Transparency

Please select the specific area/s of the action

Norms and standards

Research and Development of Innovative Solutions

Awareness and Education

Scope of the action, including a description of the value chain processes that are covered

Objective

The new Inditex Traceability Policy will bring:

Commitments

a) Updated traceability standard requirements to strengthen the assurance that products we source are manufactured in authorized facilities. b) Verification layer to ensure that supplier base comply with the requirements. c) Scoring system to dynamically classify our suppliers based on results of our verification over traceability requirements. d) Gradual penalty system for non-compliant suppliers, leaving blockage as a last non-desirable measure.

Value chain scope

The policy's scope covers end product and raw materials processes.

Timeframe and/or milestones for the action

- Traceability standard requirements:
 - Code of Conduct for Manufacturers and Suppliers was approved in 2001
 - New Policy is expected to be released in 2022
- Verification layer to ensure that supplier base comply with the requirements:
 - Current methodology implemented in 2019
 - In 2021 we significantly increased the number of verifications and implemented a new audit app mobile tool, raising the control assurance level
- Scoring system to dynamically classify our suppliers
 - Current methodology implemented in 2019

Reference instruments and sources used

- Other risk assurance scoring systems as a source of inspiration
- Policy recommendation and UNECE working groups on traceability
- Current company compliance system
- Industry Summit
- Best practices available in our industry and other sectors

Expected benefits and impact for the stakeholders involved

Enhanced visibility of compliance with sustainability requirements by industry actors/partners along the entire value chain

Enhanced traceability of the social/environmental/ethical attributes of product(s)/materials along the value chain; for example, for origin, quality, sustainability performance, and compliance with health and safety requirements for consumers and workers

Enhanced environmental and socially responsible consumption and production, and circularity of the value chain, that may be relevant to and inspire other countries and industry actors/partners

Special attention to small and medium enterprises (SMEs), small producers, farmers, and other groups including women, young workers, home-based and migrant workers who are often affected by unfair practices in this sector (companies should carry out due diligence on human and social rights to identify key target groups)

Stakeholders involved

Business and industry associations

Consumers and consumer associations

Non-governmental organizations (NGOs)

Workers and trade unions

Key performance indicators for the action

- Traceability standard requirements:
- Number of suppliers trained on the new Policy
- Verification layer to ensure that supplier base comply with the requirements:
- Number of audits performed with the new app

How has this UNECE-UN/CEFACT Call to Action contributed to strategic engagement and/or public awareness in support of your commitment?

A new specialized, highly experienced and independent Traceability Department has been created in Inditex to fully develop and deploy the Traceability policy, the track & trace tools and the implementation across buying teams and suppliers. The complex business process analysis has released the complexity of tools to be deployed and an ambitious and complete IT project is now being developed in parallel to the policy.

Link to relevant goal(s) and specific target(s) of the United Nations

