

AGREEMENT BETWEEN THE COMPANY ZARA SPAIN, S.A., THE FEDERATION OF SERVICES OF CC.OO. AND THE FEDERATION OF SERVICES, MOVILITY AND CONSUME OF UGT, REGARDING HEALTH AND SAFETY CONDITIONS AND WORK ORGANISATION CONDITIONS GIVEN THE EXCEPTIONAL CIRCUMSTANCES CONCERNING COMMERCIAL ACTIVITY RESUMPTION OF ZARA/LEFTIES STORES IN SPAIN.

It is a fact that the coronavirus, COVID19, pandemic has led us to exceptional health and social as well as commercial and working circumstances. Likewise, the need to undertake the return to productive activity progressively in the different workspaces is clear. Faced with this situation, the Company ZARA SPAIN, S.A. and the majority unions CC.OO. and UGT, have acknowledged the need to agree on minimum action criteria and procedures, which would serve as reference to address and meet the company's organisational needs within these circumstances, with the greatest security for human health and fulfilment of labour conditions, of every individual working in the ZARA and LEFTIES stores.

Thus, this document lists a number of points that need to be organisationally addressed, as well as measures and solution responses that will need to be negotiated and developed by the company's representation and the legal representation of the working people, within the territorial scope of the work councils, considering the existing conventional frameworks.

BACKGROUND

- 1.- The RD 463/2020 of March 14, which declared the State of Alarm, decreed a ban on the opening of commercial establishments to the public.
 - 2.- Gradually, certain activities related to e-commerce (SINT) have been carried out, in very small percentages, behind closed doors, and giving priority to the Health and Safety measures approved by the Department of Occupational Risk Prevention and agreed within each Business Committee.
- 1.- Following the progressive resumption of commercial activity, it is necessary to gradually establish, with regards to both "Health and Safety Measures" and

“Work Organisation”, a temporary framework of store arrangement, for as long as returning to the “complete normality” of commercial activity is not possible.

4.- The exceptional complexity of the current situation is requiring complex and rapidly evolving policy responses from both, the authorities and social partners

This makes necessary, in the business environment, to increase the cautiousness to protect everyone’s health and safety and to be especially agile, with the support of the working people’s legal representation, to implement plans for the reactivation of commercial activity that put the health of all people, workers and customers, before any other priority.

This is why, the successive Ministerial Orders that have been published in this de-escalating process include within their memorandum: “Among the main measures established by this order has to be noted, firstly, a series of measures to ensure workers’ safety in their jobs, as well as to avoid the concentration of people at specific times”.

Likewise, the Ministerial Order SND/414/2020, of May 16, for the easing of specific national restrictions, established after the declaration of the state of alarm under phase 2 of the plan for transition to a new normality, states in its Article 4.3, as well as in the Ministerial Orders established for the previous phases, the following:

“The provision of jobs, organisation of shifts and other working conditions within centres, entities, premises and establishments shall be modified, to the extent necessary, to ensure the ability of maintain the minimum interpersonal safety distance of two meters between workers, this being the responsibility of the holder of the economic activity or, in their case, the director of the educational centres and institutions, or of the person in which these delegate”.

In the same way, Article 5 of this Ministerial Order includes “Measures to prevent the risk of mass concurrence of people in the work environment.”:

"1. Without prejudice to the adoption of the necessary collective and individual protection measures, the centres shall make the timetable adjustments that may be necessary to avoid the risk of mass concurrence of people, workers or not, in spaces or places of work during the time bands of maximum expected affluence or concentration of people, taking into account the geographical area concerned, and in accordance with the following sections of this article.

2. A risk of mass concurrence of people will be regarded when there are no reasonable expectations that minimum safety distance can be met, particularly during the entry and exit to work, having into consideration the possibility of mass concurrence of working people as well as others whose affluence is expected or regular.

3. The adjustments referred to in the preceding point shall be made taking into account the instructions of the competent authorities and, where appropriate, the provisions of the applicable labour and conventional legislation."

Therefore, in the phased resumption of activity, the company has been articulating preventive and organizational measures designed to preserve the health and safety conditions of workers and customers, following the instructions and recommendations of the different administrations and, in particular, of the health authority in accordance with the ministerial orders in force for each phase of the so-called "de-escalation plan".

We must point out the temporary and exceptional nature of all these measures, the duration of which will be until the end of the de-escalation process or for as long as the health regulations prevent the opening of the stores under normal conditions, i.e. without capacity controls, limitation of square meters or any other measure aimed at preserving the health and safety of both our employees and customers.

In this respect, it is necessary to make the resumption of labour activity

compatible with the exceptional circumstances experienced by workers in relation to their family reconciliation needs. For example:

- Schools and kindergartens will remain basically closed at least until the start of the next school year.
- The possible return to educational centres in September in a semi-presential form.

Likewise, the return to work is also determined by the new commercial reality in terms of limiting customer agglomerations, with measures such as:

- Capacity limitations in store
- Safety distance, new work procedures (sanitation of garments and changing rooms, inventory management, etc.)
- New uncertainties in consumer behaviour, regarding inflows, opening times, etc.

All these circumstances, require us to reassess, as required by the health authorities, the organisation of work teams and their daily and weekly distribution, trying to make compatible the business needs with those family conciliation needs of our workforce, individually for each place of work.

For the reasons previously stated, a general framework has been established for each of the following needs:

I.- HEALTH AND SAFETY MEASURES FOR THE REOPENING OF STORES TO THE PUBLIC.

The document “Health and Safety Measures” is attached to this AGREEMENT as an Annex.

The mentioned document states that “the same teams will be arranged for each shift if there are any”.

As a result, “leak-proof” work teams were created in each work centre, responding to the need to protect all people in the stores and the desire to ensure the security measures set out in the governmental provisions; ensuring better contact traceability in case of contagion and avoiding or minimizing the expansion of the same between workers of different teams, including external security and cleaning of facilities.

II.- WORK ORGANISATION MEASURES

A) MANAGEMENT OF SHIFTS:

It is regarded necessary, for as long as this is determined by the different Ministerial Orders of Health, the organization of shifts to ensure the minimum interpersonal safety distance of two meters between workers, as well as to avoid the risk of mass concurrence of people, workers or not. To ensure this, the following 3 shift options are proposed to be agreed in each place of work:

- a) Three mornings, three afternoons.
- b) One week with morning shifts, one week with afternoon shifts.
- c) Fixed morning and afternoon shifts.

In such shifts, the daily and weekly legally established breaks will be respected.

If the establishment of these shifts involves a reduction of usual weekly working hours, the difference will be considered as “paid and recoverable” until the 31st of January of 2021.

The reductions of working hours established prior to the publication of the Royal Decree of State of Alarm of March 14 will be, in any case, respected. However, in order to be able to combine these reductions with the inalienable right to health and with the new conciliation needs that are currently being experienced by almost the totality of the staff, arrangements will be made to enable respecting their right for conciliation together with their right to health. This will be done so that, on a temporary basis, they will be able to

accommodate these reductions and increase flexibility of working hours in such a way that the specific organisational measures imperative to protect the health of the staff (for example, leak-proof collectives and their rotation) do not constitute a decrease or unequal treatment with respect to other workers, for this purpose they may opt for any of the proposals contained in section 'D' of this agreement.

These measures may also entail a greater level of adaptation to their current conciliation needs, which may be even more pressing than those that determined the reduction of working hours, without the need to initiate a new procedure for recognition from the company, an unquestionable right.

In the event that the worker is unable to take any of the measures within section 'D' of the present agreement, for duly justified reasons, the company shall evaluate each particular case, in order to seek a solution appropriate to the worker's needs and those of the organization of the store.

It is the company's will, the moment that both safety measures and the elimination of any capacity limitation allow it, to resume the work calendars standing prior to the pandemic.

B) HOLIDAYS.

WINTER. -At the time of the proclamation of the State of Alarm, dated March 14 of 2020, the company unilaterally decided to put on hold the holidays corresponding to the winter 2020 period that had not been taken yet, and were also put on hold, during the confinement period, the hours to be recovered.

It is now necessary, from the 11th of May, once the most severe social confinement measures have been lifted, to lift such unilateral suspension decreed by the company, so that the outstanding periods corresponding to the winter period are used before the 15th of June 2020.

SUMMER. -In relation to the summer holidays, and due to the foreseeable lower commercial activity in stores as a result of the limitations in commercial area open to the public or in capacity or as long as commercial activity is not resumed to the public in public in shopping centres, it is necessary to make an

extraordinary plan in coordination with the legal representation of workers of each province for these holiday days, establishing if needed a limitation on the number of staff members per shift, in accordance with the organisational structure of each store and the staffing needs.

If the holiday period does not coincide with the period set out in the Implementation Agreement, individual agreements with workers will be required.

C) REASSIGNMENT OF WORKPLACE AND/OR DUTIES

a) The possibility of establishing a temporary reallocation mechanism between nearby work centres and neighbouring areas has been considered for the duration of this agreement, but only if organizational needs arise from the measures set out in this agreement.

b) It has also been considered the temporary reallocation of duties supporting physical business activity and/or business activity related to e-commerce, whilst maintaining the same working conditions.

D) EMPLOYMENT CONCILIATION MEASURES AND RELAXATION OF THOSE COVERED BY THE EQUALITY PLANS

a) Recoverable paid leave due to family reconciliation circumstances: The worker can suspend a part of their working hours and agree to carry them out during a different annual term. In this case, it will be possible, at the request of the employee, the abduction of these “recoverable remunerated” hours from the periodic non-wage payments.

b) Flexibilization of the unpaid and/or recoverable leave for family conciliation purposes to attend those situation that require their presence, duly justified, when these involve children up to the age of 14 or minors with disabilities equal or greater than 33% or dependants.

c) Adapt and arrange shifts without hour reductions, for those who have dependents (dependent family minors) with disabilities equal or greater than 33% duly accredited.

d) Workers entitled to the reduction of working hours established in Art. 37.6 of the Statute of Workers Rights may exercise this right and make the hourly adjustment by accumulating the reduction period in full days when the person (minor or family member) resides abroad or has a disability equal or greater than 33% or has a recognised dependent status. This period can be enjoyed continuously and accumulated, where appropriate, to the holiday, provided that it has been requested and accredited, 15 days in advance (regardless of the place of residence of the minor).

e) Workers with children under the age of 14 and in a single-parent situation shall take precedence, during these circumstances, when choosing the holiday period, to the extent allowed by the store's operation.

f) Leave of absence for up to two months with job security to cover personal needs will be combinable with remunerated leave, duly justified. With the following conditions: (1) Except whilst the periods of school adaptation, these will not be combinable with holidays. (2) The minimum period will be 10 days. (3) If, within the same store, the placed requests involve 10% of the staff simultaneously, the requests would be evaluated. (4) Maximum responsibility positions shall not coincide at the same time. (Leave with entitlement to return to their position without limit of months and eliminate the conditions. Maintaining seniority).

g) Those workers under the reduction in working hours established in Art. 37.6 of the Statute of Workers Rights will be able to ease their schedule in order to make it compatible with the organisation of shifts listed under section 'A', so that they can have the greatest number of hours in those shifts compatible with their balancing needs. If this flexibility results in reduced weekly working hours, recovery of working hours will be agreed on the terms provided above.

III.- MONITORING COMMITTEE

As a result of the current exceptional situation and for the duration of the health crisis, a monitoring committee for this agreement composed of its signatories, or in whom they delegate, is established to adapt the conditions set out herein to the different situations that may arise.

This committee will meet periodically, every fortnight, during the term of the agreement or whenever circumstances change (e.g. phases of de-escalating are completed, new rules for the “new situation”). A meeting may also be arranged at the request of the side of the employer or trade union.

IV.- VALIDITY

The duration of this agreement shall extend until the end of the “de-escalation” and/or whilst the health regulations prevent stores from opening under normal conditions, i.e. without capacity controls, limit on the square meters or any other measure aimed at preserving the health and safety of both, workers and customers.