

**INDITEX**

# INDITEX'S ECO-EFFICIENT STORE

**INDITEX**

# Inditex, sustainable development





## INDITEX'S SUSTAINABLE DEVELOPMENT

A fundamental value of Inditex has always been the commitment to sustainable development and the protection of the environment and natural resources. "Sustainability means understanding that our business model plays an integral role in the communities and environments in which we operate. It also means looking to the long term and adding social value to the Company's performance", explains Inditex's Chairman and CEO Pablo Isla.

This aspiration is shared by the more than 120,000 people working for Inditex across all areas, including: our products, our stores, our manufacturing and distribution activities, and our corporate operations. In fact, "sustainability forms part of the company's culture:

it is embedded as a strategic management imperative", remarks Pablo Isla.

The efforts of Inditex's teams in this field include, among other initiatives: specific actions towards an appropriate global water management process, energy saving measures, waste management systems and a reduction the environmental footprint of the Group's activity.

Given that among the different activities of our Group, stores have the highest impact due to relevant number of establishments, in 2009 Inditex launched its environmental strategic plan, a revolutionary idea aimed at achieving the maximum level of efficiency and environmental quality in the retail sector: the Eco-efficient Store.

"Sustainability means understanding that our business model plays an integral role in the communities and environments in which we operate. It also means looking to the long term and adding social value to the Company's performance"

**Pablo Isla**  
Chairman of Inditex

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# Eco-efficient store model







## INDITEX'S ECO-EFFICIENT STORE MODEL

The eco-efficient store concept is one of Inditex's most visible and ambitious sustainability commitments. The store is the most prominent feature of the Inditex business model, serving as the place where our customers are introduced to the style propositions offered by each of our brands. Eco-efficiency is now one of the primary considerations in all of Inditex's store design.

Inditex has built more than 1,300 eco-efficient stores around the world since 2007, and has refurbished over 350 additional stores according to the eco-efficient model. All Inditex stores will be eco-efficient by 2020.

The sustainability and energy efficiency measures built into these stores deliver average savings of 30% in electricity usage and 50% in water consumption compared to conventional stores. Inditex's eco-efficient stores are also equipped with the most innovative energy management technology, driving a notable reduction in greenhouse gas (GHG) emissions. All of the Group's requirements and initiatives, in terms of materials and waste management, are addressed in the Manual for the Design, Construction, Maintenance and Management of an Eco-efficient Store, which serves as a guide for all of the Group's new store openings.

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# Categories

Surroundings

Water efficiency

Energy savings

Materials and recycling

Process and training







surroundings

A store's eco-efficiency is not strictly measured in terms of in-store environmental metrics, but also by addressing the fact that the store is in constant contact with its surroundings. This dialogue must also be as sustainable as possible.

SURROUNDINGS



Average reduction in store facade lighting of 50% to prevent surplus electricity consumption at night

A store's eco-efficiency is not strictly measured in terms of in-store environmental metrics, but also by addressing the fact that the store is in constant contact with its surroundings. This dialogue must also be as sustainable as possible.

All of Inditex's stores are located on high-profile, busy shopping streets and we work hard to

ensure that their presence does not conflict with the social and environmental ecosystem into which they are introduced. Inditex's environmental management and architecture teams assess all the points of contact between the store and its surroundings before opening any new store.

PUBLIC TRANSPORT

Inditex always seeks out locations that are well-served by public transport, thereby facilitating green access and ensuring sites that are services by all the basic amenities (health services, hospitality establishments and information points, among others). We also consider the need for nearby bike parking facilities in order to make it easier for our customers and employees to cycle to our stores.

LIGHT POLLUTION

In order to reduce night-time light pollution, our eco-efficient stores' lighting systems are programmed to reduce lighting output by over 50% outside store opening hours. Inditex also prevents the unnecessary use of lighting when illuminating its store facades and shop windows wherever possible.





water efficiency

Inditex's Global Water Management Strategy sets down the Group's guidelines and initiatives for achieving more sustainable and rational use of water.



WATER EFFICIENCY



50% savings in water consumption compared to conventional stores

Inditex's commitment to sustainable development and to protecting the environment and the world's natural resources includes using water more sustainably. Inditex's Global Water Management Strategy sets down the Group's guidelines and initiatives for achieving more sustainable and rational use of water.

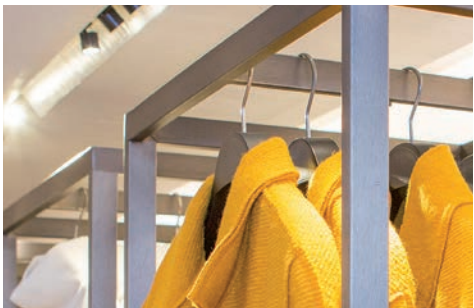
Inditex's commitment to sustainable development and to protecting the environment and the world's natural resources necessitates the sustainable use of water by means of an all-encompassing strategy that factors in the full reach, i.e., the direct and indirect dimensions, of its business operations.

The Inditex's Global Water Management Strategy is framed by the guidelines of the CEO Water Mandate sponsored by the UN Global Compact. It provides a roadmap that will guide Inditex and all of our internal and external stakeholders (including suppliers, customers and employees) towards more sustainable use of water,

whilst also contributing to the conservation of the planet's freshwater and marine ecosystems.

FLOW REGULATION

Within stores themselves, reducing water usage is as important as reducing electricity usage and cutting carbon emissions. Inditex has achieved water savings of 50% in all of its eco-efficient stores compared to conventional stores by reducing water flow rates, installing more innovative systems and reducing water pressure in sinks, showers and toilets.





energy savings

Since 2005, Zara has cut power consumption per square metre in its stores by continually introducing more innovative systems which support more efficient energy usage without affecting the performance of stores for our customers.



ENERGY SAVINGS



30% energy savings on average  
in eco-efficient stores

MOTION SENSORS

Since 2005, Zara has cut power consumption per square metre in its stores by continually introducing more innovative systems which support more efficient energy usage without affecting the performance of stores for our customers.

The use of motion sensors in storage areas allows our stores to automatically dim lighting intensity by 80% when nobody is present. Similar sensors are installed in areas with lower footfall such as bathrooms, internal corridors and areas reserved for staff.

AIR CONDITIONING

All eco-efficient stores are equipped with the most efficient climate control systems available. Sequenced powering up of energy systems prevents consumption peaks and zoning of climate control systems allows for automatic adjustment of thermostats in response to the varying occupancy and exposure to sunlight experienced by different areas of the store.

AIR CURTAINS

Electronically-regulated air curtains help to prevent the entry of cooler or hotter air from outside, underpinning annual energy savings of up to 15%.

ESCALATORS AND LED LIGHTING

Speed-controlled escalators which start working at a faster rate when the system detects a user's presence, thus using energy efficiently.

Product-centred lighting system coupled with decorative use of LED lighting which has an average life-expectancy that is four times greater than that of an ordinary bulb.

CENTRALISED CONTROL SYSTEMS

Configured to enable the real-time monitoring and control of in-store energy consumption to reduce usage without undermining the customer experience.







materials and recycling

Inditex selects the materials it uses across its supply chain painstakingly, prioritising the use of recycled or reused materials, locally-sourced materials and materials certified to have used as little energy as possible in the course of their extraction, manufacture and transportation.

MATERIALS AND RECYCLING



Cardboard boxes are used 6 times on average before being sent off for recycling

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IN-STORE RECYCLING

Dedicated areas containing recycling containers and waste compacters assist our stores' recycling efforts. Moreover, all waste generated during the store construction process is properly managed by authorised handlers.

WOOD

All of the wood used in our eco-efficient stores is certified by the Programme for the Endorsement of Forest Certification (PEFC) or Forest Stewardship Council (FSC), which guarantee that it comes from sustainably and responsibly managed forests and does not come from areas undergoing desertification or deforestation.

ENVIRONMENTALLY-FRIENDLY BAGS

The Group's plastic shopping bags are oxo-biodegradable and its paper bags are also PEFC or FSC-certified.

HANGERS AND SECURITY TAGS

There is a special system for collecting up clothes hangers that guarantees their reuse, repair whenever possible and recycling. This is also the case for garment security tags.

CARDBOARD BOXES

The cardboard boxes in which the clothes are delivered to stores are re-used as often as possible. The boxes start their life cycle by delivering clothes to our stores, and are then sent back to the distribution hubs filled with other materials such as clothes hangers. Each cardboard box is used an average of six times before being recycled.





process and training

All of the processes that go into running an Inditex store have been analysed from an energy usage standpoint, with the aim of making all store operations as energy-efficient as possible.



PROCESS AND TRAINING



66% reduction in the lighting used in cleaning and unloading operations

All of the processes that go into running an Inditex store have been analysed from an energy usage standpoint, with the aim of making all store operations as energy-efficient as possible.

TASK-SPECIFIC LIGHTING

Lighting is programmed according to the requirements of the specific tasks to be performed in-store over the course of the day. During cleaning and loading/unloading work, lighting is cut by 66%. For cash desk closing operations, store lighting is dimmed and the lighting circuit is focused on the cash desks.

SHOP WINDOW LIGHTING

The operational hours and intensity of shop window backlighting are analysed on a store-by-store basis according to the store's location and the climate and light conditions in the vicinity.

AIR-CONDITIONING CONTROL

The stores are equipped with a centralised climate control system that regulates temperatures and air quality and monitors the timing settings for cooling/heating of the store. This system allows for automatic adjustment of thermostats in response to the varying occupancy and exposure to sunlight experienced by different areas of the store.

EMPLOYEE EDUCATION

To ensure the new Inditex stores operate as efficiently as intended, utilising all their innovative eco-efficiency capabilities as effectively as possible, all store personnel receive dedicated training on the proper use of the systems along with broader environmental-awareness training.





# LEED certification





## LEED CERTIFICATION

In order to ensure that the Eco-Efficient Store concept meets the most stretching external benchmarks, Inditex has been following the guidelines and recommendations of the U.S. Green Building Council (USGBC) since 2009 – one of the most demanding independent authorities in the field of environmentally-friendly building. A non-profit organisation headquartered in Washington DC, the USGBC promotes a sustainable future through 'green' building construction and maintenance processes. To measure performance, it has created an environmental certification system known as LEED (Leadership in Energy and Environmental Design), for buildings designed and built in a way that maximises eco-efficiency. LEED certification is the most widely adopted certification system in the US and one of the most stringent anywhere in the world.

It is awarded on the basis of independent audits performed by the USGBC that guarantee that certified buildings comply with the scheme's stretching eco-efficiency criteria. Buildings are rated on a sliding scale (Bronze, Silver, Gold or Platinum), depending on the performance standards attained.

Inditex has been auditing some of its flagship stores since 2009, with the aim of them establishing a blueprint for the construction or refurbishment of the rest of our stores. The Zara and Zara Home stores on Portal de l'Àngel in Barcelona were the first of the Group's stores and the first stores in Europe to obtain Gold LEED certification. Since then, Inditex has obtained Gold and Platinum certification for numerous stores around the world. These stores serve as the benchmark for the rest of the Group's establishments. Inditex's periodically tests its eco-efficient store model to ensure that it continues to stand up to the USGBC's rigorous energy efficiency benchmarks.

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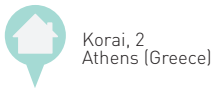
# Milestones





ATHENS - 2008

Inditex's first eco-efficiency benchmark and the starting point for the Group's eco-efficient store project



The Zara store on Korai street in Athens, opened in 2008, is fitted out with sustainable materials and a range of systems for delivering increased energy efficiency. Along with the Zara store in the Marineda shopping centre in A Coruña (Spain), the Athens store is the origin of the Inditex's eco-efficient store project. The Athens store was also one of the most interesting and challenging refurbishment projects undertaken by Zara's architectural design teams.



BARCELONA - 2009

The first store in Europe to achieve Gold LEED certification



This was the first Inditex store to achieve this stringent environmental certification, certifying that the Group's eco-efficient store model meets the most demanding independent criteria for environmentally-friendly buildings.

The result is a store that consumes 30% less energy per annum than a conventional store, saves 50% more water and prevents the emissions of over 150 tonnes of GHG every year.





ROME - 2010

The leading Inditex benchmark for eco-efficiency, having obtained the highest Platinum LEED rating

This flagship store marked Inditex’s 5,000th opening around the world. It is located in the Palazzo Bocconi, a building with a history dating back over



Via del Corso 189  
Rome (Italy)

120 years in the heart of Rome, meaning that our architectural design teams faced the challenge of reconciling the creation of a global benchmark in eco-efficient building design with the restoration of a historic building in Italy’s capital city.

The refurbished store consumes 30% less energy per annum than a conventional store, uses 70% less water and prevents the emission of over 200 tonnes of GHG every year.

ROTTERDAM - 2011

Pull&Bear entered the Dutch market with a store that has earned the highest Platinum LEED certification



Lijnbaan, 54  
Rotterdam (Netherlands)

After Zara, Pull&Bear and Bershka were the first of the Group’s brands to achieve Platinum LEED certification. Both brands entered the Dutch and German markets, respectively, with stores certified with the highest international certification for sustainable construction and energy efficiency. The Bershka store with Platinum LEED certification is located in Berlin, on Tauentzienstrasse, 14, one of the busiest shopping streets in Germany’s capital city.



LONDON - 2012

The Inditex Group's 6,000th store, in the heart of London's shopping district, boasts Platinum LEED certification



Among the innovative measures implemented in this store, the automated climate control system and the smart lighting systems that reduce lighting intensity outside store hours stand out. Moreover, this was the first Zara store to showcase the brand's new store image in London, underpinned by four principles: beauty, clarity, functionality and sustainability.



MUNICH - 2012

With this Zara Home store's Gold LEED certification, Germany became the market with the highest number of LEED-certified Inditex stores after Spain



In 2012, more than 10 of the Group's other stores were in the process of obtaining LEED certification in several countries, including the US, Austria and China.

Inditex has also had head offices and logistics platforms LEED certified. Specifically, the Massimo Dutti head office and logistics platform in Tordera (Spain) has obtained Gold LEED certification and will be the benchmark for similar buildings in the future.



ECO-EFFICIENT STORES

Since 2007, more than 1,300 eco-efficient stores have been built worldwide



All Inditex stores will be eco-efficient by 2020



AMERICA

LEED CERTIFICATION EXPECTED

- ZARA Madero Mexico, LEED GOLD
- ZARA San Francisco, LEED GOLD



EUROPE

LEED CERTIFICATION

- Zara Roma – LEED PLATINUM
- Bershka Berlin, LEED PLATINUM
- Pull&Bear Rotterdam – LEED PLATINUM
- Zara Portal de l'Àngel – LEED GOLD
- Pull&Bear Gran Vía, LEED GOLD

LEED CERTIFICATION EXPECTED

- ZARA, C/ Serrano, Madrid: LEED PLATINUM
- ZARA Park House, LEED PLATINUM
- ZARA HOME Munich, LEED GOLD
- ZARA Campos Elysees Paris, LEED GOLD
- ZARA, Haas Haus, Vienna: LEED GOLD
- ZARA, Garret, Lisbon: LEED GOLD
- ZARA HOME, Munich: LEED GOLD

BREEAM CERTIFICATION

- Oysho Paris



ASIA

LEED CERTIFICATION

- Zara Shibuya, Tokyo LEED GOLD
- Zara Hong Kong LEED GOLD
- Zara Beijing LEED GOLD



AUSTRALIA

LEED CERTIFICATION

- Zara Melbourne LEED GOLD



# Inditex's environmental strategy







## INDITEX'S ENVIRONMENTAL STRATEGY

The eco-efficient store is the most visible project within "Sustainable Inditex, 2011-2015", Inditex's strategic framework for increasing sustainability across our business. This plan builds on the foundations established by the previous environmental plan, covering the period 2007-2010, which concluded in 2010 having beaten its initial targets:

- 52% of the power used in the Group's corporate buildings and manufacturing centres sourced from renewable sources and/or trigeneration
- Transport-related carbon emissions cut by 20%
- New store power savings of 42%

Sustainable Inditex 2011-2015 is designed to

extend the sustainability standards laid out by the previous plan across all areas of the Group's business: including our products, our stores, our manufacturing and distribution activities and our corporate operations.

As well as the eco-efficient store concept, the Sustainable Inditex framework covers initiatives including:

### **Right to Wear**

The quality and sustainability of all Inditex products is guaranteed by our "Right to Wear" framework. Our Right to Wear pledge encompasses four separate initiatives:

**"Green to Wear"**, which ensures that the manufacturing processes for each product meet Inditex's environmental standards

**"Clear to Wear"** and **"Safe to Wear"**, which ensure that each product meets Inditex's stringent

The eco-efficient store is the most visible project within "Sustainable Inditex, 2011-2015", Inditex's strategic framework for increasing sustainability across our business.

“Tested to Wear”, which ensures that working conditions for all workers in our supply chain meet Inditex's high ethical standards

### **Global Water Management Strategy**

Published in 2012, Inditex's Global Water Management Strategy sets out an action plan for achieving more sustainable water management practices across our business. The strategy takes account of major global commitments such as the UN's CEO Water Mandate. Inditex has also committed to ensuring that none of the chemical substances involved in its manufacturing processes end up in landfills.

### **Sustainable Sourcing of Materials**

Inditex dedicates substantial resources towards ensuring that its sustainability criteria are also implemented at the very beginning of the supply chain, by monitoring the cultivation of the crops that provide its raw materials and promoting the use of sustainable fibres. Several of the Group's brands have product lines and collections made exclusively from 100%-organic cotton, certified in keeping with the OE100 standard which guarantees product integrity.

### **Recycling Fashion**

At the end- of a garments' life cycle, Inditex operates a special program for the collection, sorting, reuse and recycling of textile waste called Roba Amiga.

### **NGO Partnerships**

As part of our commitment to help find solutions to global issues, we are collaborating actively with a number of global and sector-specific NGOs that are working to preserve the environment and deliver the United Nation's Millennium Development Goals. Inditex is an active member of international sustainability-related organisations and initiatives including the Sustainable Apparel Coalition, Better Cotton Initiative, Textile Exchange and the Leather Working Group, among others.

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