

SUSTAINABLE INDITEX 2011-2015

MANAGING THE ECOLOGICAL
FOOTPRINT WITHIN INDITEX'S
VALUE CHAIN

INDITEX



HOW INDITEX'S BUSINESS MODEL DRIVES SUSTAINABLE DEVELOPMENT

Inditex's business model is based on two pillars which drive sustainable development:

- Fashion design and manufacturing in a socially responsible environment
- Eco-efficient, environmentally friendly retailing and value chain



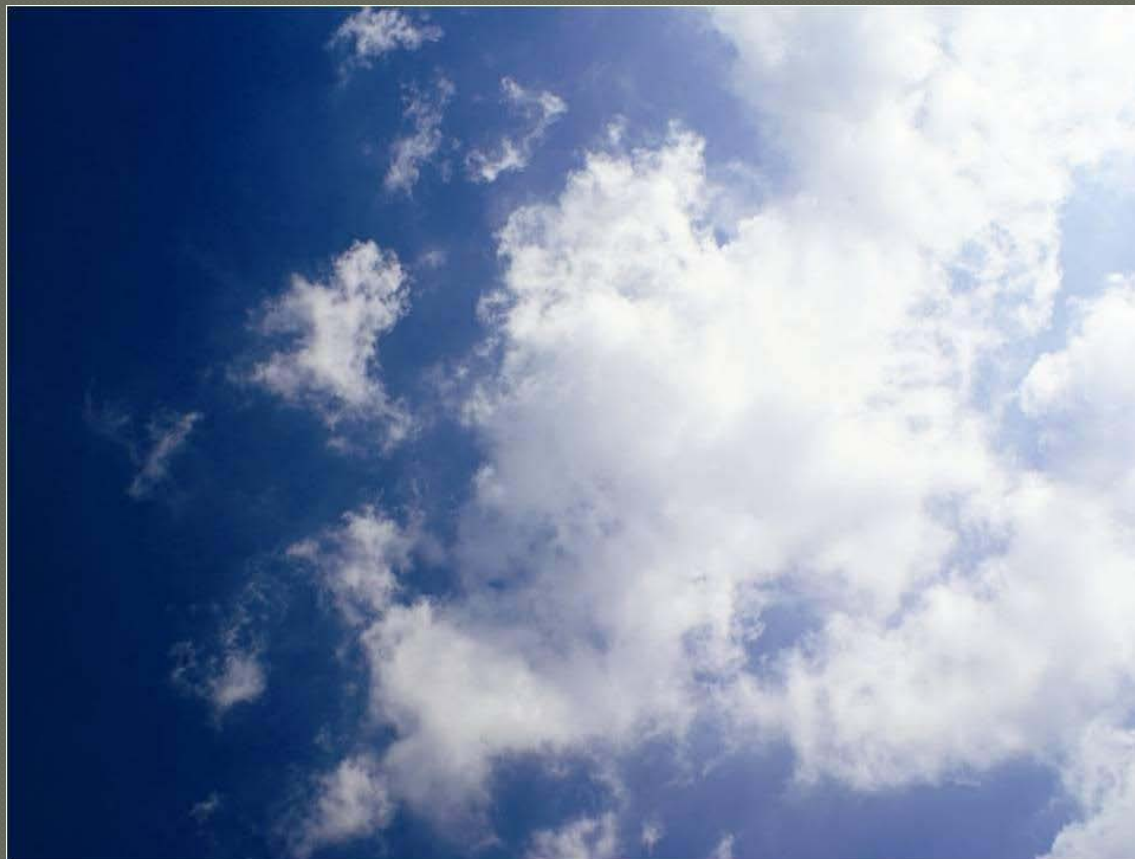
INDITEX'S SUSTAINABILITY COMMITMENTS

Adopting innovative management practices to improve our performance and become more efficient and sustainable

Adding the sustainability variable to all our strategies and operations

Focusing and targeting our commitment on consumers and our team

THE STARTING POINT



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SUSTAINABILITY AND ENVIRONMENTAL MANAGEMENT HAVE BEEN TWO OF INDITEX'S STRATEGIC VARIABLES SINCE 1995

THE PILLARS OF OUR ENVIRONMENTAL STRATEGY

- Environmental Management System certified as ISO 14001 compliant in 25 of INDITEX's premises:
Inditex's main building, chain headquarters, logistics centres and own manufacturing plants.
Sole multinational in the textile field with all centres certified.
- Selective waste management and recycling at all Inditex facilities.
- Environmental training given to all staff in manufacturing plants and logistics centres.
- Environmental information and awareness-raising campaigns aimed at all store staff.
- Move towards renewable sources of energy and cogeneration plants (850 kW wind turbine, 1,500 m² of solar thermal collectors and 3 CHPs).

Innovating for
Sustainability
2007-2010



The IEMA Project
Energy and Environmental



IPK
Inditex Pro Kyoto



The EcoStore
Store Sustainability System



Terra
Emission Mechanisms

Strategic Plan 2007-2010: “Innovating for Sustainability”

The development and implementation of our Strategic Environmental Plan 2007-2010 was an excellent opportunity to fit the sustainability variable within the planning and decision-making processes of all key Inditex departments.



HEMA: ENERGY AND ENVIRONMENTAL INTEGRATION

Building new renewable energy plants in logistics centres

Minimizing emissions through fuel replacement (changing diesel engines and boilers into natural gas ones)

Building new cogeneration plants in logistics centres to meet their own heat and power needs

Raising public awareness about a rational and efficient use of energy



IPK: INDITEX PRO KYOTO

- Transport audit and route optimization
- Transforming ZARA's trailer fleet to meet EURO 5 standards
- Incorporation of biodiesel to ZARA's vehicle fleet
- Software development for assessment of road haulage
- Training professional drivers for Zara
- Raising staff's awareness about sustainable mobility
- The ReuseMe program for packaging and wrapping
- Using environmentally-friendly electric vehicles in logistics centres



THE ECOSTORE

Designing and implementing The Eco-efficient Store Manual, which will help us minimize the environmental impact on all sustainability variables through a 30 % decrease in energy consumption related to both our building and sales activities in stores, without our present comfort and quality standards being modified.

International certification of sustainable building awarded to significant stores

- ZARA, Portal del Ángel, Barcelona: LEED GOLD
- Oysho, Rue de Rivoli, Paris: BREEAM
- Pull & Bear, Gran Vía, Madrid: LEED PLATINUM
- ZARA, Palazzo Bocconi, Rome: LEED PLATINUM

All new stores built from 2010 meet the EcoStore criteria.



THE ECOSTORE

Establishing criteria and implementing custody chain management systems for furnishing and wood carpentry providers.

PEFC- or FSC-certified wood used for store furnishing

PEFC- or FSC-certified price tags and paper bags

Wrapping and packaging optimization and use of recycled materials



THE TERRA PROJECT

Inditex reaches an agreement with the Galician Regional Government (the *Xunta de Galicia*) to create a Seed Bank and implement a Forest Ecosystem Improvement project.

Pull & Bear plans to replace printed catalogues with an online version, as well as plant 16,500 trees in the Sierra Gorda Biosphere Reserve, in Mexico.

OYSHO supports a WWF campaign to raise public awareness about the situation of our seas and make consumers and policymakers responsible for their protection.



OUR COMMITMENTS REMAIN VALID THROUGH THE NEW PLAN 2011-2015

Our new environmental strategy is based on two pillars: cutting the global ecological footprint of our value chain and lowering company-related greenhouse gas emissions, particularly CO₂ emissions.



THE GLOBAL OBJECTIVE OF SUSTAINABLE INDITEX 2011-2015

The 'Sustainable Inditex 2011-2015' Environmental Strategy and the actions which will be taken during the next five years, together with those performed within the framework of the Strategic Environmental Plan 2007-2010, will allow us to reach our goal of cutting our 2005 CO₂ emissions level by 10 % in 2015 and 20 % in 2020.



To reach this goal, a climate change reduction and sustainability strategy has been defined, which consists of four implementation phases and six action lines:

1. Measuring the ecological and carbon footprint of our activities
2. Implementing actions aimed at reducing emissions
3. Implementing actions aimed at compensating for our emissions
4. Increasing awareness and giving adequate training

Total CO₂

—

Reduction

—

Compensation

=

Zero emissions

OUR SIX ACTION LINES



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1

NEW STORES: The EcoStore

Building sustainable and environmentally friendly stores equipped with cutting edge technology for energy saving and management, aimed at reducing CO₂ emissions.



ACTION LINES

Building new LEED-certified stores

Implementing a central control and Environmental Management System in all new openings

Technological surveillance of new eco-friendly materials



2 EXISTING STORES: Eco-Refurbishment

Redesigning existing stores to improve their technology, optimize their environmental management and lower CO₂ emissions by 30 %.



ACTION LINES

For all stores built before 2005:

- Replacing usual light bulbs with new energy-saving ones.
- Setting up a central management system.
- Replacing old air conditioning equipment with new class A systems, thus contributing to the transition away from R-22.
- Incorporating speed control to escalators



3

SUSTAINABLE MOBILITY

Optimizing routes, adding state-of-the-art efficient vehicles to the current fleet, contributing to packaging reduction and driver training to lower fossil fuel consumption.



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ACTION LINES

Sustainable route optimization (consolidation, low-impact haulage, driver training...).

Performing route environmental audits.

Environmental assessment of logistics suppliers.

Eco-efficient logistics platforms. Setting up an electric recharge network for vehicles in logistics platforms.

Developing and implementing software for the assessment of CO₂ emissions in all routes.

Assessing the impact of new technologies on sustainable development (natural gas, hybrid vehicles).



4

TRAINING AND RAISING STAFF'S AWARENESS

Actions aimed at training and raising our employees' environmental awareness while also improving their personal and professional development.



ACTION LINES

Developing awareness raising and environmental information contents within our corporate magazine (90,000 copies in 12 languages).

Providing environmental training for our shop staff (“Eco Japanese”).

Producing videos and materials about ecological themes and events aimed at increasing environmental awareness.

On-line training for head office employees.

Training HR trainers for logistics centres.

Publishing an Ecotechnical report: an e-bulletin providing information about new technologies and environmental experiences.



5

PRODUCT

Promoting the assessment of eco alternatives in the development of new auxiliary products and materials.



ACTION LINES

Developing tools to assess our product-related CO₂ and environmental impact (SCOPE 3).

Developing textile products with eco-friendly fabrics, particularly organic cotton.



6

WATER

Promote a more efficient water consumption at own manufacturing centers, stores and throughout the supply chain



ACTION LINES

Definition of a Water Management Strategic Plan at Inditex in compliance with the CEO Water Mandate criteria

Assessment and analysis of water print

Improvement of water management at own manufacturing centers and stores

Elaboration of mandatory criteria to suppliers and improvement protocols

Carrying out of pilot projects

Joining international programs in collaboration with sectorial companies as well as opinion groups



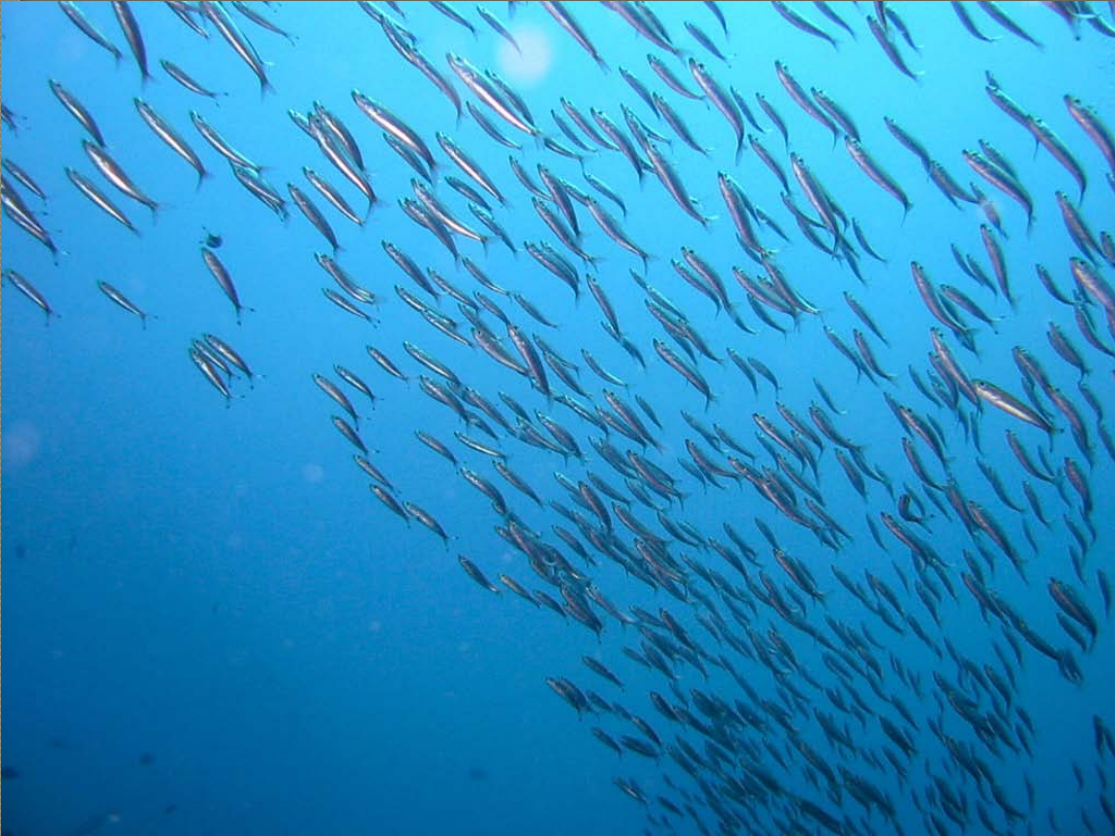
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BIODIVERSITY AND ENVIRONMENTAL PROJECTS

A two-fold strategy to preserve nature:

Enhancing the sustainable management of biodiversity, encouraging educational values aimed at increasing ecosystem knowledge, respect, improvement and conservation

Making up for the CO₂ emissions caused by the Inditex Group's activities



ACTION LINES

Developing our own projects and involving both our clients and the society as a whole.

The Terra Project, a Seed Bank and Forest Ecosystem Improvement project led by the Galician regional government.

Supporting global initiatives to raise environmental awareness.

Supporting projects on sustainable management of natural resources.



Because it's our Responsibility towards our clients,
towards our employees, and towards the sustainable
development of our society and environment.

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