

<b>COMPANY NAME</b> Inditex - Zara		<b>INDITEX</b>
	<b>SECTOR</b> Textile	

Inditex is one of the leading fashion groups in the world. With over 171,000 employees, it operates in 96 markets through its network of stores and online business. Its way of understanding fashion, based on commitment to flexibility and innovation, allows the eight group brands, Zara, Pull&Bear, Massimo Dutti, Bershka, Stradivarius, Oysho, Zara Home and Uterqüe to respond to customers' needs at the right time to offer them the latest trends that they demand.

## CHALLENGES

Fashion is the second most polluting industry in the world. Environmental impacts are caused along the whole clothing value chain, from fibre production to consumption patterns and associated with waste generation. In addition, the fashion industry faces potential scarcity and price volatility of raw materials. Fashion entrepreneurs are disrupting the fashion market with innovative value propositions, producing more sustainable garments and reaching customers through service-based business models. For Inditex, the challenge is to satisfy their customers' demand for fashion while being more sustainable.

## INNOVATIONS

Inditex is focusing efforts in searching for a new, more sustainable sourcing model, supported by new principles in the garment design. The company is working with key suppliers to develop recycled fibres made of recycled cotton and cellulose-based fibres, as well as investing in R&D in new recycling technologies. Inditex has also implemented a take-back system aimed at implementing resource recovery. To this aim, it has started to develop strategic agreements with NGOs to provide

them with used and old clothes, which may be further sold at second-hand markets, or be donated, or recycled.

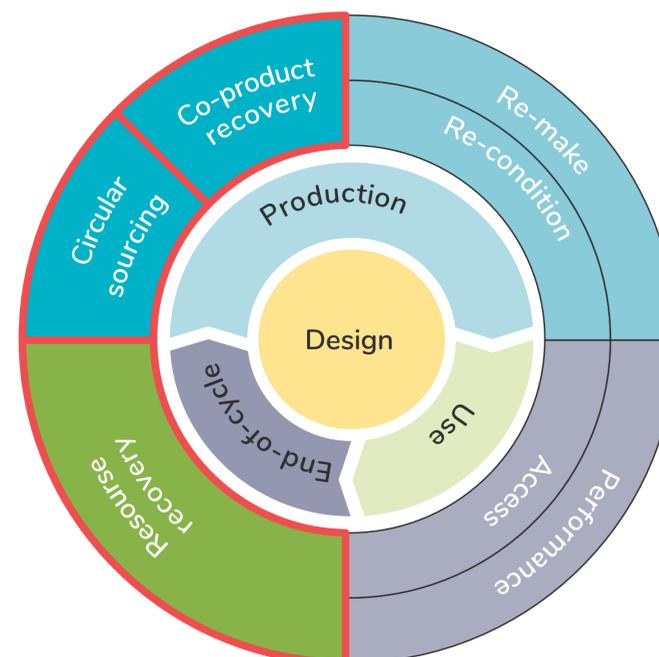
**“We want to make a transition towards more sustainable raw materials that respect people, animals, and environment, contributing to sustainable development.”**

## KEY ENABLERS

The Join Life collection is possible thanks to new technological developments, such as new fibres –lyocell with Refibra technology. A fundamental enabler is the commitment of a number of key suppliers with the sustainable vision of Inditex, which invest in R&D and recycling technologies to create more sustainable yarns and fabrics.

**“There is a clear need for taking advantage of the amount of fabrics leftovers and old clothing that are generated. Though currently limited, the existence of a sound recycling industry will be a key enabler of a circular sourcing pattern in the fashion industry.”**

## CIRCULAR ECONOMY BUSINESS MODELS

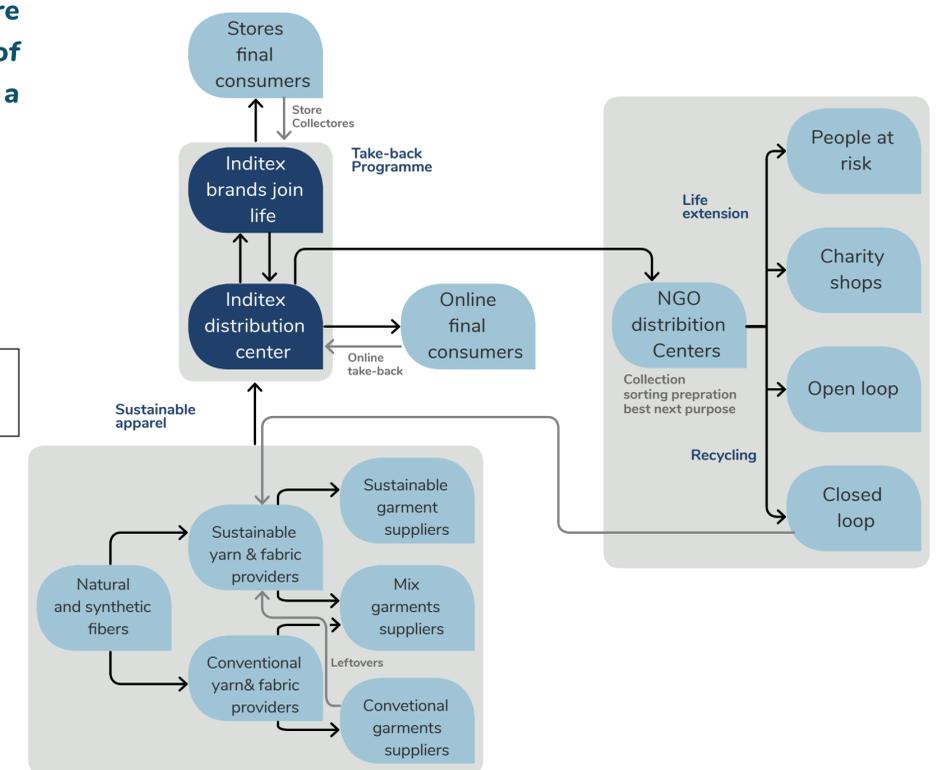


## KEY OUTCOMES

In 2017, 8% of ZARA's sales worldwide were from the Join Life Sustainable collection. Some remarkable figures pertain to the use of more sustainable fibres:

- 36,7 million 100% organic cotton items to market (5th world consumer of organic cotton by volume)
- 318% more organic cotton by weight in products
- 100% of the water and almost all chemicals recycled in the production of TENCEL™ Lyocell.

## MATERIAL FLOWS



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