

Member of DJSI World, DJSI Europe

Company Information

Country	Spain
Market cap (USD million)*	44,434

*Source: S&P Global BMI, 31 July 2017

Company Description

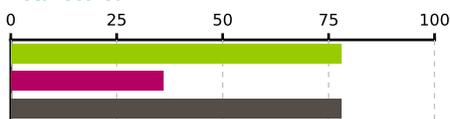
Industria de Diseno Textil SA (Inditex) is driven by a team of over 160,000 people worldwide. In Spain alone, Inditex works with 7,500 suppliers across many industries, indirectly supporting more than 50,000 jobs. The company opened 279 new stores in 2016, bringing the total number of stores to 7,292 in 56 markets. The Spanish retailing corporation reported a net profit increase of 9%, and sales of EUR 23.3 billion in 2016, in turn investing EUR 1.43 billion into its operations to support world-class logistics and export activities. Various existing facilities were also remodeled to bring them in line with the most demanding efficiency standards. As a result, 71% of stores are now eco-efficient, and the company has publicly set a goal of bringing all of them up to those standards by 2020.

Industry Drivers

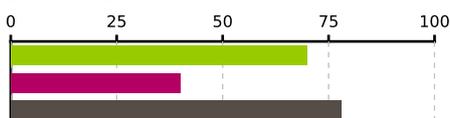
The retailing industry is dominated by multinational companies with global supply and distribution networks focused on increasingly sophisticated inventory management, marketing strategies and technological advances. Brand management is a key success factor and successful retailers will need to continue to develop new strategies and technologies to retain and analyze customers' purchasing habits, as well as implement more responsive and tailored customer relationship management systems. Distribution channels such as e-commerce platforms, home delivery services and pick-up systems are key value drivers. Faced with continuous stakeholder scrutiny, companies need to address the efficiency, safety and sustainability of their supply chain management, distribution systems and the use and disposal of packaging. Labor and human rights issues within the supply chain also pose a key risk. Hence, retailers must establish long-term relationships with suppliers, integrate new technologies, and provide enhanced transparency and environmental consciousness in order to minimize reputational risk and increase operational efficiency.

Sustainability Scores

Total Scores



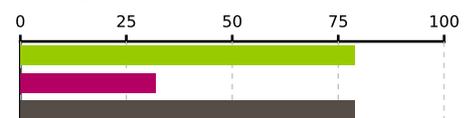
Economic Dimension



Environmental Dimension



Social Dimension



■ Industry best score ■ Industry average score ■ Industria de Diseno Textil SA

Sustainability Performance

As a leader in the retailing industry, Inditex has continued to proactively address one of the industry's most controversial issues: human rights. Human rights and industrial relations in the supply chain were identified as among the most material issues for internal and external stakeholders. As a result, Inditex has managed to establish best-in class human rights policies, due diligence processes and comprehensive risk assessments, and their approach to public disclosure on these topics continues to exceed the industry standard. With respect to the environment, in line with its strong corporate environmental policy and the company's eco-efficiency goals for 2020, energy and water consumption have decreased, demonstrating the company's commitment to operational eco-efficiency. Finally, the company places strong emphasis on waste reduction: its "Closing the Loop" program recycled more than 16,848 tons of textile in 2016, bringing them 2% closer to their ambitious goal to eliminate all waste from its own activities by 2020.

Company Performance for Selected Criteria



■ Industry best score ■ Industry average score ■ Industria de Diseno Textil SA

For more information on assessment criteria, please visit www.robecosam.com/csa

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