



*Written re-exam after 1st semester*

*Skriftlig reeksamen efter 1. semester*

***The basis for the company's sale / Virksomhedens salgsgrundlag***

7 February 2013 / 7. februar 2013

This examination paper consists of 4 assignments. For grading purposes the assignments are given the following approximate weights

Dette opgavesæt består af 4 opgaver, der indgår i bedømmelsen af den samlede opgavebesvarelse med følgende vejledende vægte:

Assignment/Opgave 1:	20%
Assignment/Opgave 2:	20%
Assignment/Opgave 3:	35%
Assignment/Opgave 4:	25%

Assignments: (In Danish below)

### Assignment 1 (20%)

On [www.novozymes.com](http://www.novozymes.com) you can find the following information:

“At Novozymes we are dedicated to creating the best possible patent portfolio to gain the maximum value of Novozymes’ R&D.

At Novozymes we have a culture where it is not only the patent specialists and the R&D scientists that have an in-depth patent interest and understanding. Everyone in the organization is dedicated to create and get the most out of IPR. Patents and patent strategy play an important role for example in: Business development, sales, marketing, production and customer communication.”

Assignment 1.1.: Please describe shortly the possibilities that Novozymes has in order to get such patents.

Imagine that Novozymes in December 2012 has made an agreement with a Portuguese hospital to deliver enzymes to the hospital in January 2013. Portugal has not adopted the CISG-convention. However a dispute in connection with such purchase should be solved by the CISG.

Assignment 1.2: Please give a legally justified explanation why such dispute should be solved by the CISG.

A Chinese supplier in Beijing wants to make an agreement with the following term of delivery: “EXW Beijing (Incoterms 2010)”.

Assignment 1.3: Please give a description of the risks that Novozymes might have if the purchase gives rise to any legal disputes?

Assignment 1.4: Please give a description of the risks that the Chinese supplier might have if the term of delivery instead is agreed as “DDP Copenhagen (Incoterms 2010)”

## **Assignment 2 (20%)**

In appendix 1 you'll find the annual report for 2011 for Novozymes and the annual report for their competitor DSM.

Assignment 2.1: Please make a financial benchmark of the 2 companies. You need to calculate 5 key figures, give your comments and compare Novozymes with the competitor.

Assignment 2.2: The financial manager at Novozymes has a proposal to implement activity based costing (ABC) in the organization. Please state the biggest advantage and disadvantage in implementing ABC in Novozymes. Remember your argumentation.

## **Assignment 3 (35%)**

Please evaluate Novozymes commitment to the use of sustainability and CSR as a whole. Could this, the focus on CSR, be used to further improve Novozymes competitive position?

## **Assignment 4 (25%)**

The executive management board at Novozymes is considering contacting Zara to initiate a cooperation following Greenpeace's focus on detoxing the textile industry (ref. app. 2). The purpose of the cooperation should be to develop an industry-wide solution for detoxing textile production. From a Sales and Marketing point identify and analyze important factors that the management should take into consideration when deciding how to set up this cooperation. Make assumptions as appropriate.

## Spørgsmål på dansk

### Opgave 1 (20 %)

På [www.novozymes.com](http://www.novozymes.com) kan du findes denne information:

“At Novozymes we are dedicated to creating the best possible patent portfolio to gain the maximum value of Novozymes' R&D.

At Novozymes we have a culture where it is not only the patent specialists and the R&D scientists that have an in-depth patent interest and understanding. Everyone in the organization is dedicated to create and get the most out of IPR. Patents and patent strategy play an important role for example in: Business development, sales, marketing, production and customer communication.”

Opgave 1.1: Beskriv kort de muligheder, som Novozymes har for at få sådanne patenter.

Forestil dig, at Novozymes i december 2012 har indgået en aftale med et portugisisk hospital om at levere enzymer til hospitalet i januar 2013. Portugal har ikke vedtaget CISG-konventionen. Men en tvist i forbindelse med et sådant køb skal løses af CISG.

Opgave 1.2: Giv en retligt begrundet forklaring på, hvorfor sådan tvist skal løses af CISG.

En kinesisk leverandør i Beijing ønsker at lave en aftale med følgende udtryk for levering: "EXW Beijing (Incoterms 2010)".

Opgave 1.3: Giv en beskrivelse de risici som Novozymes påtager sig, hvis købet giver anledning til tvister?

Opgave 1.4: Giv en beskrivelse af de risici, som den kinesiske leverandør påtager sig, hvis leveringsklausulen i stedet er aftalt som "DDP Copenhagen (Incoterms 2010)"

## **Opgave 2 (20%)**

I appendix 1 finder du Novozymes årsrapport for 2011, samt årsrapporten for deres konkurrent DSM.

Opgave 2.1: Du bedes foretage en finansiell benchmarking af de 2 selskaber. Der skal udregnes 5 nøgletal, som skal kommenteres og sammenholdes med konkurrenten.

Opgave 2.2: Økonomidirektøren i Novozymes har overvejelser angående indførsel af activity based costing (ABC). Du bedes angive, hvad du ser som den største fordel og ulempe ved at indføre ABC i Novozymes. Husk din argumentation.

## **Opgave 3 (35%)**

Vurder Novozymes overordnede brug af sustainability og CSR. Kan dette CSR-fokus anvendes til en yderligere styrkelse af Novozymes konkurrencemæssige position.

## **Opgave 4 (25%)**

Novozymes ledelse overvejer at kontakte Zara med henblik på at etablere et samarbejde som opfølgning på Greenpeaces fokus på afgangning i tekstilbranchen. Formålet med samarbejdet skulle være at udvikle en måde at afgifte tekstil produktioner på, som kan anvendes i hele branchen.

Ud fra et Salgs- og Markedsføringssynspunkt bedes du identificere og analysere de faktorer, som ledelsen skal tage op til overvejelse når de beslutter, hvordan de vil etablere samarbejdet.

Gør antagelser som nødvendigt.

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## **Introduction to Novozymes**

Novozymes is the world leader in bio innovation, providing business-to-business solutions used in the production of numerous products such as biofuel, detergents, feed and crops. Novozymes offer superior and sustainable solutions which enhance and promote everything from removing trans-fats in food to advancing biofuels to power the world tomorrow. Novozymes employ over 5.800 people globally, working in research, production, sales and administration.

Sales in Novozymes have increased by 8% from 2010 to 2011. In 2011 detergent enzymes covered 31%, food enzymes 29%, bio energy 17%, feed enzymes 13%, microorganisms 7% and biopharmaceutical ingredients 3%.

The majority of sales (2011) take place in Europe (36%) and North America (35%) but also Latin America (10%) and Asia (19%) are considered important markets.

Historically, Novozymes have considered strategic alliances, in-house projects and acquisitions the primary ways of entering new business areas, but also organic growth is considered important and a 10% annual growth is the target.

Sustainability is an important value for Novozymes, and a long-term target for the company is to enable a 75 million ton reduction in co2 emission by 2015 through customers' application of their products as well as being recognized as a global leader within sustainability.

Novozymes has over 6.000 active patents, patent applications and licensed patents and continuously and proactively seek partners to license or in-license patents within their area of interest.

## business areas in brief

Our business consists of two segments: Enzyme Business and BioBusiness. Together, they serve a number of industries with biological solutions.

### Food & Beverages

Today's food and beverage manufacturers are facing increasing demand for quality products with fewer additives and preservatives. novozymes offers attractive possibilities for supporting these trends.

### Bioenergy

by providing the most advanced, dependable, and well-supported solutions available novozymes helps customers to lead the way to a future powered by renewable energy.

### Wastewater Solutions

novozymes is creating new opportunities for improvements in wastewater treatment with beneficial microorganisms.

### Textiles

higher production costs, demand for quality textiles, and environmental legislation present challenges for the textile industry. novozymes helps customers stay ahead of the market by providing revolutionary products and services.

### Household Care

Consumers are demanding higher performance and eco-efficiency from their cleaning products. novozymes helps manufacturers to exceed these expectations with innovative enzymatic and microbial solutions.

### Agriculture

novozymes' enzymatic pesticides and microbial yield and fertility enhancers help farmers to enjoy healthier crops and higher yields.

### Biopharma

novozymes develops and manufactures high-quality, animal-free, regulatory-compliant, biological ingredients and technologies to help pharmaceutical and medical device manufacturers deliver improved performance and take products to market faster.

### Pulp & Paper

novozymes' solutions save resources and costs while improving the quality, performance, and appearance of pulp and paper products.

### Leather

for over 50 years novozymes has been producing bioinnovative solutions for the leather industry to deliver high quality, reliability, sustainability, and process optimization.



<p><b>Rethink tomorrow</b></p>	
<p><i>Our vision: where we are heading</i></p> <p>A future where our biological solutions create the necessary balance between better business, cleaner environment and better lives</p>	<p><i>Our company commitment: how we do business</i></p> <p>We will do business by continuously improving our financial, environmental, and social performance to drive the world toward sustainability</p>
<p><b>Our values: what drives our behavior</b></p>	
<p><i>Dare to lead – because the future is created by you</i></p> <ul style="list-style-type: none"> <li>• Strive to be the best</li> <li>• Never settle to what we have today</li> <li>• Set brave goals and follow through</li> <li>• Take initiative and volunteer yourself</li> <li>• Develop yourself and your team</li> </ul>	<p><i>Connect to create – because the world is full of ideas</i></p> <ul style="list-style-type: none"> <li>• Seek to understand the bigger picture</li> <li>• Embrace diversity</li> <li>• Learn from the outside</li> <li>• Challenge conventions</li> <li>• Take pride in finding solutions with others</li> </ul>
<p><i>Trust and earn trust – because nothing beats a circle of trust</i></p> <ul style="list-style-type: none"> <li>• Clarify expectations and keep your promises</li> <li>• Demonstrate professionalism</li> <li>• Empower others</li> <li>• Be open and honest</li> <li>• Take care of others</li> </ul>	<p><i>Unlock passion – because passion makes dreams come alive</i></p> <ul style="list-style-type: none"> <li>• Inspire and excite others</li> <li>• Love what you do</li> <li>• Seek simple solutions fast</li> <li>• Focus on opportunities rather than barriers</li> <li>• Do not fear mistakes; learn from them</li> </ul>

## Sustainability at Novozymes

At Novozymes we have focus on sustainability in our own operations. This focus matches the economic impact that our products provide to our customers and the world.



The Board of Directors and Executive Management of Novozymes believe that corporate governance initiatives should be a constant process and address the principles of good corporate governance in an ongoing process with due consideration to current legislation, practice and recommendations. Such evaluation includes a review of the company's business concept, business procedures, goals, organization, capital position, stakeholder relations, risks and the exercise of control.

We strive to lead by example by integrating sustainable solutions into our own organizational practices. We take pride in incorporating as many sustainable initiatives as possible into our own organization, so in principle our commitment to sustainability is integral to our business processes at every level. After all, there is no better way to demonstrate the potential of our bio solutions and gain the trust of partners than by fulfilling our business promises through our own operations.

- Reducing our CO<sub>2</sub> emissions

We meet our ambitious targets by e.g. producing biogas in our wastewater treatment in China and sourcing energy from wind mills corresponding to our electricity consumption in Denmark.

- Reducing our water use

At Novozymes we have set ambitious targets to minimize the use of water in our production.

- Socioeconomic impact

Novozymes' economic impact on society goes beyond traditional financial results. Our economic stakeholders include a wide range of stakeholder groups such as suppliers, authorities, employees, and local communities.

It is important for Novozymes to make a positive contribution in the countries where we operate. Our economic contributions consist of taxes, duties, VAT, employee taxes, employee pension and benefit programs, procurement from local vendors and development of workforce, among others.

Annually we look at Novozymes' broader economic impact on society at a large. We monitor and disclose data on who benefits from the value that we create as a company on a yearly basis: In 2011, 58% of Novozymes' generated value was returned to society, for example through wages and pensions to our 5,824 employees, corporate income taxes in the communities, and value generated for our shareholders. The remaining 42% of Novozymes' revenue was spent on purchasing goods and services from local and international suppliers.

- Running a sustainable supplier program

Novozymes has a comprehensive supplier program with integrated evaluation of sustainability, quality and commercial performance of our suppliers. We challenge our existing and new suppliers to join us in constant innovation.

Rethink Tomorrow is Novozymes' call to innovation. We are rethinking supplier relationships through systematic category management assessment to:

- Optimize our cost base
- Address common challenges with common values
- Optimize and innovate sustainable supply chains together with strategic suppliers
- Identify opportunities for joint business development
- Acknowledge the success of our suppliers as an integral part of the success of Novozymes

Novozymes relies on a wide range of suppliers. We want sustainable solutions for our customers in every part of our value chain. It is our goal to maintain high efficiency, ensure supply reliability and apply our values to our value chain including our suppliers.

- **Continuous reliable supply** – We expect our suppliers to deliver on their promise.
  - **Product and service quality**– We expect our suppliers to meet our expectations on quality.
  - **Efficiency and price** – We expect our suppliers to face competition focusing on efficient delivery and continuous improvement year on year.
  - **Responsibility and innovation** – We expect our suppliers to balance reliability, quality, and efficiency with a drive for sustainability and innovation. We partner with our trusted suppliers in efforts to innovate and implement responsible solutions throughout our supply chain.
- Strengthening our social commitment

Novozymes supports international human rights principles and labor standards. Novozymes contribute to the local communities by making our competencies in science understanding and environmental responsibility available to benefit and inspire the next generation of scientist and innovators.

## Innovation-driven partnerships

As we work to drive the world towards sustainability, partnering has become a key competency used by Novozymes to effectively create and build businesses that can help change the world.



At Novozymes we understand the invaluable connections that take place when the right minds find each other. We see innovation-driven partnerships as a key element of delivering tomorrow's bio solutions, and are looking for companies and technologies to help us develop and market the next generation of ideas.

By building on complementary competences and sharing risks and benefits, we would like to construct thriving partnerships with companies who share the common goal of changing the world through biotechnology.

## **Novozymes and the textile industry**

In keeping with the word itself, sustainability is here to stay. Novozymes is strongly committed to developing effective, sustainable solutions for forward-thinking companies, and the textile industry is a key example.



There are many sustainable contributions to be made in the textile industry before the clothes even reach the consumer. From pretreatment to the finishing touches, bio innovation from Novozymes has brought a range of competitive solutions to the industry that help manufacturers to meet the challenges of producing high-quality fabrics in a cost-efficient and environmentally friendly manner. However, the solutions are often used as stand-alone products.

To show the full potential of today's enzyme technology, Novozymes joined forces with global textile and apparel manufacturer Esquel Group. By applying bio innovative solutions to all stages of the production of a single T-shirt, the benefits of enzymatic processing were clearly demonstrated. The result was termed the "elemental T-shirt" – a showcase for Novozymes' "elemental textiles" concept.

### **Why enzymatic solutions are elemental**

Creating textiles using the best technology available is elemental because it is cost neutral, leads to higher-quality products, and helps protect the earth's four elements: water, through reduced consumption and toxicity; air, through lower emission of CO<sub>2</sub> and other harmful airborne particles; fire, by minimizing the use of energy and fossil fuels; and finally earth, by reducing raw material waste and maximizing resources.

Amazingly, the peer-reviewed life cycle assessment suggested substantial savings of more than 70,000 liters of water and 1 ton of CO<sub>2</sub> per ton of knitted fabric. It also showed a 20–25% reduction in processing time. “The savings we achieved almost took us by surprise!” explains Han Kuilderd, Customer Solutions Manager at Novozymes. “We’re glad to see that our solutions can reduce water and energy usage to such an extent simply by being applied at different stages of the same textile process.”

An estimated 9 million tons of knitwear is produced every year. With that in mind, it is easy to imagine the difference that elemental textiles could make to the textile industry. “We believe that mills and retailers can go a long way with elemental textiles. Savings in time, seasoned with increased output and better quality at the same cost as a traditional process, gives a competitive edge,” says Umar Riaz, Global Marketing Manager at Novozymes. “Considering the sustainable aspect, it’s a win-win situation for everyone.”

### **Bio innovation paves the way**

As elemental textiles offer no compromise on quality, Novozymes believes that they will pave the way for a more sustainable textile industry. Taking a step in the right direction, the elemental textiles concept has been featured at various international events, including the Fashion Summit in Copenhagen in December 2009, which was a side event to COP15.

Novozymes’ collaboration with Esquel in developing the elemental textiles concept demonstrates how rethinking conventional processes and incorporating sustainable alternatives makes good business sense. Not only does it lead to reduced manufacturing costs and higher-quality fabrics, but also to an improved environmental profile and a competitive edge. An elemental business makes perfect sense

## An introduction to Zara

Where many of their competitors have chosen to outsource production to the Far East, Zara became famous for keeping almost all of their activities in Europe – and the majority of it within a very small radius of its headquarters in Spain. On top of this, almost half of their production is in owned (or closely controlled) facilities. This gives Zara enormous flexibility and control, but at the same time increases their salary cost to 10–15 times that of an Asian production line.

Inditex, the group in which Zara is the biggest and most famous brand, has chosen to increase vertical integration within the group – owning capital-intensive production facilities in Spain with state-of-the-art equipment for fabric dyeing and processing, cutting and garment finishing. The basic, undyed fabric called Greige, is considered a commodity and sourced from multiple suppliers in Spain, the Far East, India and Morocco. The ownership of the processes allows Inditex a very high capacity for delivering on demand, and also increases the probability of delivering the correct fabrics for new styles. The only process that Inditex does not own is the garment stitching, a process which is highly labor-intensive.

### The Zara-way: short lead times and low risks



By focusing on shorter response times, the company ensures that its stores are able to carry clothes that the consumers want at the time. Zara can move from identifying a trend to having clothes in its stores within 30 days. Catching fashion while it is hot is a clear recipe for better margins with more sales happening at full prices and fewer discounts. In comparison, most retailers of comparable size or even smaller, work on timelines that stretch into 4–12 months. Thus, most retailers

try to forecast what and how much its customers might buy many months in the future, while Zara moves in step with its customers.

By reducing the quantity manufactured in each style, Zara not only reduces its exposure to any single product but also creates an artificial scarcity. The result is that Zara discounts only about 18 per cent of its products, roughly half the levels of competitors.

Thirdly, instead of more quantities per style, Zara produces more styles, roughly 12.000 a year. Thus, even if a style sells out very quickly, there are new styles already waiting to take up the space.

What differentiates Zara from most of its competitors is their strategy of reacting rather than predicting. Zara forecasts only the kind and amount of fabric, it will buy. This way any changes in style or amount does not hurt Zara as much, since the same fabric can easily be used to produce several different styles and finished products. Once the material is purchased, the rest of the processes are handled by Zara's super-flexible and fast design and production processes.

### **Keeping cost low**

Although producing in Europe, where the labor costs are high, Zara is able to keep cost low through a number of decisions:

- None of the assembly workshops are owned by the company. Most of the workers are women supplementing their household income through work-at-home kind of employment.
- Marketing costs are kept low by using prime store location rather than advertisement. Only 0,3 percent of sales are spent on advertisement compared to an average of 3,5 percent for competitors.
- Only about 18% of clothes in Zara need to be discounted after entering the stores. The industry average is 35%.

- Zara does not try to be first on the market with new styles, but rather spends their time interpreting the trends from top designers, creating 'copies' of top designs.

## Sustainability and CSR

Zara aims to contribute to the sustainable development of society and that of the environment with which they interact. The company's commitment to the environment is included in Inditex Group's Corporate Responsibility Statement, published on their website: [www.inditex.com](http://www.inditex.com).

The following are some of the objectives and actions for environmental commitment and have a direct impact on our shops and customers:

- **We save energy. The eco-friendly store.**  
An eco-friendly management model in our shops in order to reduce energy consumption by 20%. This management model sets out measures to be applied to all processes, including the design of the shop itself, the lighting, heating and cooling systems and the possibility of recycling furniture and decoration.
- **We produce less waste and recycle.** Recycling hangers and alarms, which are picked up from our shops and processed into other plastic elements, is an example of our waste management policy. The cardboard and plastic used for packaging are also recycled.
- **Our commitment extends to all our staff. Increased awareness among our team members.**  
We hold In-company awareness campaigns and specific multimedia-based training programs to educate our staff in sustainable practices, such as limiting energy consumption, using sustainable transport and modifying behavior patterns.

- ◆ **We use ecological fabrics. Organic cotton.**  
Zara supports organic farming and makes some of its garments out of organic cotton.

Zara still experiences some problems controlling the amount of chemicals in their products and supply chain. Please refer to appendix 2 for an elaboration.

Sources:

The information for this exam case has been collated from several sources with the purpose of creating an exam case. Some of these sources are:

[www.zara.com](http://www.zara.com)

[www.inditex.com](http://www.inditex.com)

[www.novozymes.com](http://www.novozymes.com)

[www.esques.com](http://www.esques.com)

[www.greenpeace.org](http://www.greenpeace.org).

## Appendix 1a, income statement, Novozymes, DKK million

	2011
Revenue/ Turnover	10,510
Cost of goods sold	4,602
Gross profit	5,908
Sales and distribution costs	1,376
Research and development costs	1,464
Administrative costs	778
Other operating income, net	50
Operating profit / EBIT	2,340
Financial income	208
Financial costs	133
Profit before tax	2,415
Tax	587
Net profit	1,828
Earnings per share	DKK 5.79

## Balance sheet, Novozymes, DKK million

ASSETS	
Intangible assets	2,221
Property, plant and equipment	6,557
Deferred tax assets	275
Non-current assets, total	9,053
Inventories	1,741
Trade receivables	1,971
Tax receivables	167
Other receivables	195
Other financial assets	48
Cash at bank and in hand	667
Current assets, total	4,789
Assets, total	13,842
LIABILITIES AND SHAREHOLDERS' EQUITY	
Shareholders' equity, total	8,824
Deferred tax liabilities	905
Provisions	152
Other financial liabilities	1,604
Non-current liabilities, total	2,661
Other financial liabilities	258
Provisions	98
Trade payables	745
Tax payables	37
Other payables	1,219
Current liabilities, total	2,357

Liabilities, total	5,018
Liabilities and shareholders' equity, total	13,842

## Appendix 1b, income statements DSM, € million

	2011
Net sales	9,048
Cost of sales	6,479
Gross margin	2,569
Marketing and sales	882
Research and development	378
General and administrative	443
Operating profit	866
Interest costs	99
Other financial income and expense	20
Profit before income tax expense	787
Income tax expense	147
Profit for the year	640
Earnings per share, (in €):	4.06

## Balance sheet DSM 2011, € million

	2011
Fixed assets	5,653
Current assets:	
Trade receivables	3,154
Other receivables	292
Cash	2,058
Current assets total	5,504
Total assets	11,157
<b>Equity and liabilities</b>	
Shareholders' equity	5,974
Long-term liabilities	2,728
Current liabilities:	
Borrowings	209
Financial derivatives	326
Trade payables	1,920
Current liabilities total	2,455
Total	11,157

## Appendix 2: Zara commits to go toxic-free

[www.greenpeace.org](http://www.greenpeace.org), Feature story - November 29, 2012

**Zara, the world's largest clothing retailer, today announced a commitment to go toxic-free following nine days of intense public pressure. This win belongs to the fashion-lovers, activists, bloggers and denizens of social media. This is people power in action.**

Greenpeace campaigners began a dialogue with Zara (a brand within the Inditex group) in 2011 about eliminating releases of hazardous chemicals from its supply chain and clothes. But it wasn't until this week that the fast-fashion giant caught on to the urgent need to solve its toxic pollution problem.

Zara has now committed to eliminate all discharge of hazardous chemicals from its supply chain and products by 2020. And they're going to get rid of some of the worst chemicals, such as PFCs, even sooner. As a significant user of PFCs, Zara's commitment to eliminate this chemical group by the end of 2015 is a breakthrough.



The Detox commitment announced today covers Zara and the seven other brands in the Inditex group: Pull & Bear, Massimo Dutti, Bershka, Stradivarius, Oysho, Zara Home and Uterqüe.

The commitment is good news for the environment, but also a breakthrough for the public's right to know what is being released into our waterways. Zara says that by the end of 2013 at least 100 of its suppliers in the Global South (including at least 40 in China) will publicly disclose data about their releases of hazardous chemicals into the environment. The open data will be chemical-by-chemical, facility-by-facility and at least year-by-year.

Zara's commitment to act more transparently is a milestone in the way clothing is manufactured. It's an important step in providing local communities, journalists and officials with the information they need to ensure that local water supplies are not turned into public sewers for industry. Zara's transparency revolution will be key to ensuring that as brands commit to

Detox they then really follow through on achieving zero discharges by 2020.

Zara now joins Nike, Adidas, Puma, H&M, M&S, C&A and Li-Ning who have also committed to Detox but other top clothing companies still need to respond to the urgency of the situation and Detox. We tested clothing items from 20 leading brands this year and found hazardous chemicals in them that break down in the environment to form toxic pollution. But by working with their suppliers and switching to non-hazardous alternatives, the clothing companies can become part of the solution.