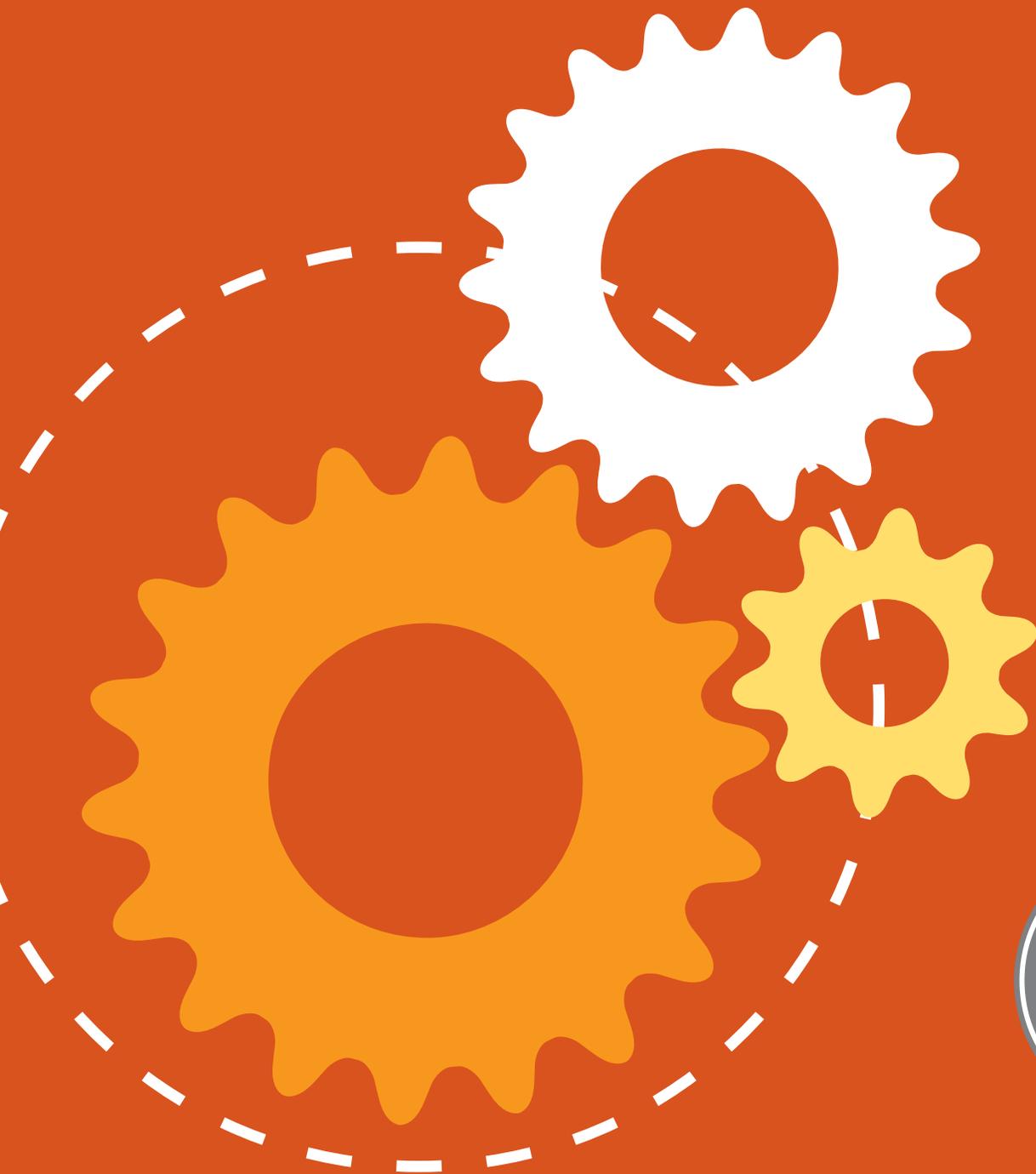


LEED[®] IN MOTION: RETAIL



LEED in Motion is a report series from the U.S. Green Building Council (USGBC) that provides a holistic snapshot of the green building movement and the most widely used green building rating system in the world: USGBC's LEED (Leadership in Energy and Environmental Design). These industry reports are aimed at equipping readers with the numbers and insight they need to build a strong case for sustainability.

LEED in Motion: Retail examines how LEED-certified shops, banks and other retail locations enhance communities, benefit retailers and businesses and create a healthier, more comfortable consumer experience.

Interested in other industry sectors and aspects of green building? Browse our other LEED in Motion reports, available in English as well as Spanish, French and Chinese:

- [LEED in Motion: People and Progress](#)
- [LEED in Motion: Places and Policies](#)
- [LEED in Motion: Impacts and Innovation](#)
- [LEED in Motion: Residential](#)
- [LEED in Motion: Canada](#)
- [LEED in Motion: Greater China](#)
- [LEED in Motion: Sweden](#)

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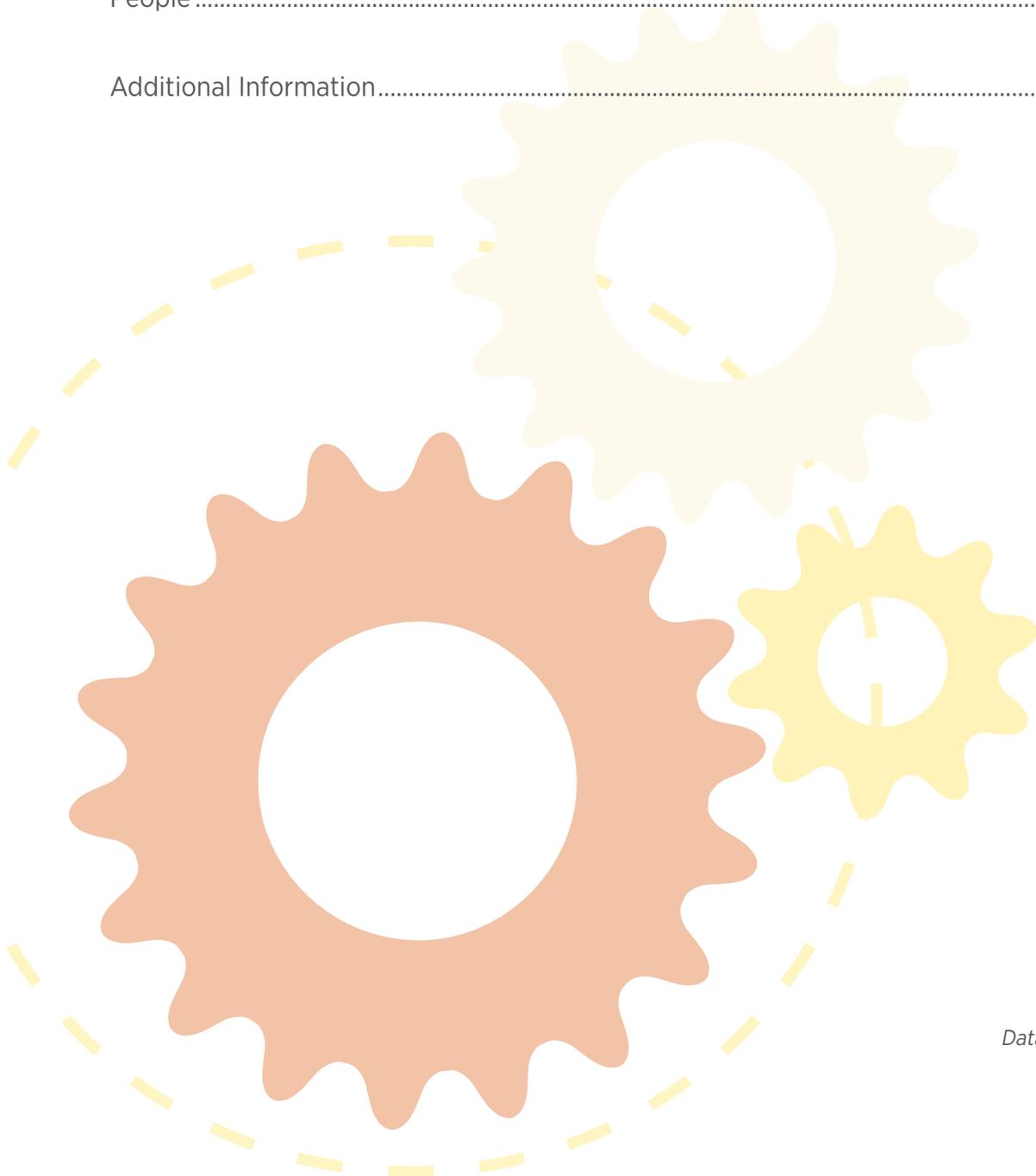
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*Data in this report is current
as of August 27, 2014*

BUILDING A BETTER GLOBAL MARKETPLACE

Foreword from Rick Fedrizzi, CEO and Founding Chair, U.S. Green Building Council

The global marketplace, our world's unfathomably vast network of goods and services, cash and currency, has always been about much, much more than money alone.

From the earliest days of bartering to our present-day e-commerce economy, the products we sell and the purchases we make are a reflection of core human values: quality, integrity, honesty. That's why centuries-old retailers take so much pride in their craftsmanship and tradition, and that's why new small businesses and start-ups are such a vibrant part of our culture—the global economy offers retailers new and old a world of promise and opportunity.

Two decades ago, we created the LEED green building rating system to honor those same values. In 2007, we began piloting the LEED for Retail rating system with the goal of providing global retailers with a tailored solution to running a sustainable business and storefront. Today, an impressive subset of the global marketplace—nearly 8,000 retail locations worldwide—is participating in the LEED for Retail program. Positive change at that macro-level has far-reaching impacts.

As retailers and business owners, we're faced with choices about how to honor and celebrate our customers; how to operate our companies with integrity; and how to optimize our business operations to benefit the bottom line and the community.

And on the opposite side of the counter: all of us are consumers. With every purchase we make, we make a choice. Every dollar we spend either advances a cause or system that we believe in or perpetuates one that we do not. While it's impossible to make all of our buying decisions with the level of scrutiny they deserve, we can do a world of good with the conscious purchases that we do make.

LEED for Retail enables retailers to make sustainable business decisions and empowers consumers to make choices they feel good about. It's a celebration of people, planet and profit. And we feel particularly strong about the people aspect of LEED for Retail: whether you're managing the floor or browsing the aisles, you should be able to breathe easy, and feel healthy and comfortable.

LEED's retail offerings are used by Big Box retailers and mom and pop shops alike, from end-to-end across the global economy. In the pages that follow, you'll hear from some of the industry's top retailers, from Starbucks to Wells Fargo to Nike, in regards to how they have used LEED certification to honor and deliver on their sustainability goals. There's no question that you're in phenomenal company if you're a LEED for Retail user.

So, next time you're grabbing your morning latte, depositing a check or picking up a prescription, take a look around to see if you're in a LEED-certified coffee shop, bank or drug store. That plaque on the wall has effects that reach far beyond the building footprint.

With gratitude,

Rick Fedrizzi

CEO and Founding Chair

U.S. Green Building Council



FOREWORD

From Starbucks



Starbucks proudly reached a “green” milestone this year: We opened our 500th LEED-certified store.

LEED is the most widely used green building rating system in the world. But it’s more than that. To Starbucks, LEED represents a key proof point to our customers, our partners (employees) and the communities where we operate, of our commitment to reduce our impact on the environment in every way we can.

Each day in 18 countries around the world, an estimated 229,000 people visit a LEED-certified Starbucks location. When they do, our customers are assured that we maintain the highest standards of construction technology and materials as well as a commitment to preserve their communities’ precious natural resources. As part of our 2015 global responsibility goals, we are committed to reducing our global energy and water usage by 25 percent, across all of our stores. In fact, Starbucks LEED-certified stores actually use 30 percent less energy and 60 percent less water than non-certified locations.

Retailing represents 20 percent of all buildings in the U.S., taking up even more space than office buildings. As a result, the world’s leading retailers are also thought leaders in the development and implementation of LEED and in 2012 to 2013, green building investment jumped by \$1 billion in the retail sector. This industry support and collaboration is critical to helping create a future of green retail.

The LEED in Motion report you are now reading is a detailed examination of the incredible progress that LEED has made among retailers in recent years. It also highlights the remarkable inroads that LEED’s retail offerings have made in just a few years, and their importance as a growth area for the LEED standard.

For example, the percentage of retail owners who are highly involved in green building more than doubled from 18 percent in 2011 to 38 percent in 2013. That number is expected to grow to 52 percent in the next two years. In addition, nearly two-thirds of retail and three quarters of hotel owners expect to have green operations and maintenance systems in place by 2015.

For Starbucks, our milestone of achieving our 500th LEED-certified location is just a start. LEED remains an important part of our ability to meet the expectations of our customers and our partners who trust us to run a company that aligns with their values. Yet, our opportunity is to never stop evolving the way we build and operate our stores, working with others or tackle environmental challenge in order to continue to meet our expectations and those of our customers as well as shareholders.

At its core, the U.S. Green Building Council was created to continuously challenge the status quo and raise the bar for green building. This report was titled LEED in Motion to reflect that ongoing sense of forward movement in our industry. We hope you are inspired by the stories herein, but like us, are equally as committed to never stop pushing the boundaries of green building.



USGBC GOLD
level member company

PROJECTS

“Who are businesses really responsible to? Their customers? Shareholders? Employees? We would argue that it’s none of the above. Fundamentally, businesses are responsible to their resource base. Without a healthy environment there are no shareholders, no employees, no customers and no business.” - Yvon Chouinard

The global marketplace has a commanding presence. Wherever you are in the world, you’re rarely far from it: restaurants, farmer’s markets, banks, boutiques and so much more. These are the places where goods and services are exchanged for money, fueling our economy and enriching our lives. These are our gathering places and watering holes: the coffee shop where you wrote your dissertation or the grocery store where you purchase food and meals for your family. The retail sector is one that forms a critical segment of global business and one that impacts and affects the world population every single day.

The retail sector covers a lot of territory, from entire shopping malls to stand-alone buildings and retail tenants; from Big Box giants to small businesses and mom and pop shops; from high-end apparel to quick-serve restaurants. Retail and mall space encompasses 20 percent of the buildings in the U.S.—even more than office buildings.¹ Green building growth in the retail sector jumped \$1 billion from 2012 to 2013.² We have a huge opportunity and obligation to work to green this sector of our built environment. What’s more: the industry is setting a new standard for green retail.

- Starbucks currently has **500** certified stores in 18 countries.
- Kohl’s is committed to achieving LEED certification for all new stores. The company has certified **434** buildings, or 38 percent of its stores. Of their certifications, **286** are existing buildings projects.
- Target is committed to pursuing LEED certification for 100 percent of the Canadian stores. To date, **143** are certified with more in the pipeline.
- Verizon Wireless has **200** certifications, all LEED Silver or higher.

At USGBC, we believe the retail sector can and should be green. USGBC launched LEED (Leadership in Energy and Environmental Design), a green building program providing third-party verification of the features and effectiveness of green buildings, in 2000. LEED, the world’s premier green building certification program, is the force by which an unprecedented amount of buildings, leaders, companies and project teams have rallied to have a collectively enormous impact in creating better buildings: those that save energy, resources and money, and that are healthy for our families, friends, coworkers and customers.

“Retail owners in particular became much more invested in green—with the percentage of owners highly involved in green building (more than half their new buildings green) more than **doubling from 18%** in 2011 to 38% in 2013. And that number is expected to grow even more in the next two years—**rising to 52%**.”³

¹ U.S. Energy Information Administration, *2012 CBECS preliminary building characteristics results* (2012), <http://www.eia.gov/consumption/commercial>.

² McGraw Hill Construction, *Dodge*, (2013)

³ McGraw Hill Construction, *Green Retail and Hospitality SmartMarket Report* (2013), 1, <http://construction.com/SMR/GreenRetailandHospitality>.

LEED and Retail

Retail spaces have a number of unique considerations, from occupancy demands to waste streams, energy and water use, that warrant a more niche and specific LEED offering. LEED for Retail launched in pilot phase in 2007 and then formally in 2010. Nearly 100 national and independent retailers and franchisees, including Bank of America, Best Buy, Chipotle, Wells Fargo, Citigroup, Kohl's, L.L.Bean, McDonald's, Pizza Fusion, Starbucks and Target participated in the pilot program since its launch in 2007, providing valuable feedback to inform the rating systems' development.

Today, LEED offers retail certification options for new construction, commercial interiors and existing building projects, giving retailers more solutions than ever.

The specific aspects of retail projects that LEED helps address include:

- Retail occupancies: employees and customers, shifts and hours of operation
- Different space requirements: front of the house and back of the house
- Different waste streams
- Parking requirements
- Unique concerns regarding the controllability of systems
- Process energy and water loads

Why LEED?

Because retailers know that LEED benefits the triple bottom line.

People: Consumers and investors are keenly aware of the positive impact, on the environment and on communities, that the corporate world is capable of making. LEED is a common language that carries the solid stamp of third party approval. Investors take this into consideration, and consumers are catching on. Plus, as profiled in the next section, LEED-certified retail locations prioritize human health: among their many health benefits, they have better indoor environmental quality, meaning customers and staff breathe easier and are more comfortable. In a business where customer experience is everything, this is particularly valuable.

Planet: LEED-certified buildings outperform conventional buildings. Incorporating sustainability on a holistic level results in LEED retail projects using less energy and water.

On average, Starbucks' LEED stores use 30 percent less energy and 60 percent less water.⁴ One example from L.L.Bean: "A state-of-the-art lighting control system, occupancy sensors, an energy use management system and mechanical system commissioning contributed to reducing the [LEED-certified] store's energy consumption by 40 percent over comparable facilities."⁵ These trends hold true across the globe: the LEED Platinum Zara global flagship store in Rome uses 30 percent less energy, 70 percent less water, avoids 200 tons of CO₂ emissions each year, and achieved 78 percent waste diversion during construction.⁶

Profit: Resource savings = costs savings. McGraw Hill Construction found that green retail owners saw an eight percent average decrease in annual operating costs, and a seven percent increase in asset value.⁷ Plus, in the competitive retail landscape, companies with solid evidence of corporate social responsibility stand out among other retailers, attracting customers and investors.

LEED Volume Certification and Retail

Major retailers own and operate an enormous amount of real estate: Target has 1,780 stores in the United States alone. Pursuing separate LEED certifications for tens or hundreds of similar stores seems redundant, tedious and time-consuming, right? There must be an easier way!

Enter LEED volume certification. Designed for large-scale companies pursuing LEED certification across a high-volume of similar projects, volume certification is a great fit for retailers seeking to certify many of their retail locations and stores. Retail stores look to maintain consistency; as a result, they are a perfect fit for LEED volume that supports organizations in certifying faster and at a lower cost by leveraging uniformity and integrating LEED into organization-wide practices.

LEED volume has been a key reason for LEED's success and uptake within the retail sector.

Which retailers are using LEED volume?

Participants include:

- AHOLD USA
- Bank of America
- Best Buy
- Chick-fil-A
- Citibank
- Deutsche Bank
- Falabella
- Fifth Third Bank
- HSBC Mexico
- Inditex
- KeyBank
- Kohl's
- Kum & Go
- Lyfe Kitchen
- McDonald's
- PNC
- Starbucks
- Subway
- Target Corporation
- Verizon Wireless
- Walgreens
- Wells Fargo

4 Starbucks, *LEED® Certified Stores*, <http://www.starbucks.com/responsibility/environment/green-building/leed-certified-stores>.

5 U.S. Green Building Council, *L.L. Bean Mansfield, MA*, <http://www.usgbc.org/projects/ll-bean-mansfield-ma>.

6 Inditex, *Inditex's Eco-Efficient Store*, https://www.inditex.com/documents/10279/26311/eco_store.pdf/643f79dd-c1b3-494d-a703-ac972ef3dc97.

7 McGraw Hill Construction, *Green Retail and Hospitality SmartMarket Report (2013)*, 1, <http://construction.com/SMR/GreenRetailandHospitality>.



Total Commercial LEED Projects Globally
(LEED-registered, LEED-certified, LEED for Neighborhood Development):

67,472

Gross Square Footage of LEED Projects Globally
(LEED-registered, LEED-certified):

12.6 billion

LEED for Retail Projects (LEED-registered, LEED-certified):

7,921

LEED for Retail Certified Projects: 3,522

New Construction = 40%

Existing Buildings = 31%

Commercial Interiors = 29%

Gross Square Footage of LEED for Retail Projects Globally (LEED-registered, LEED-certified):

515,841,924

LEED-certified Retail Projects by Certification Level



1,770



1,009



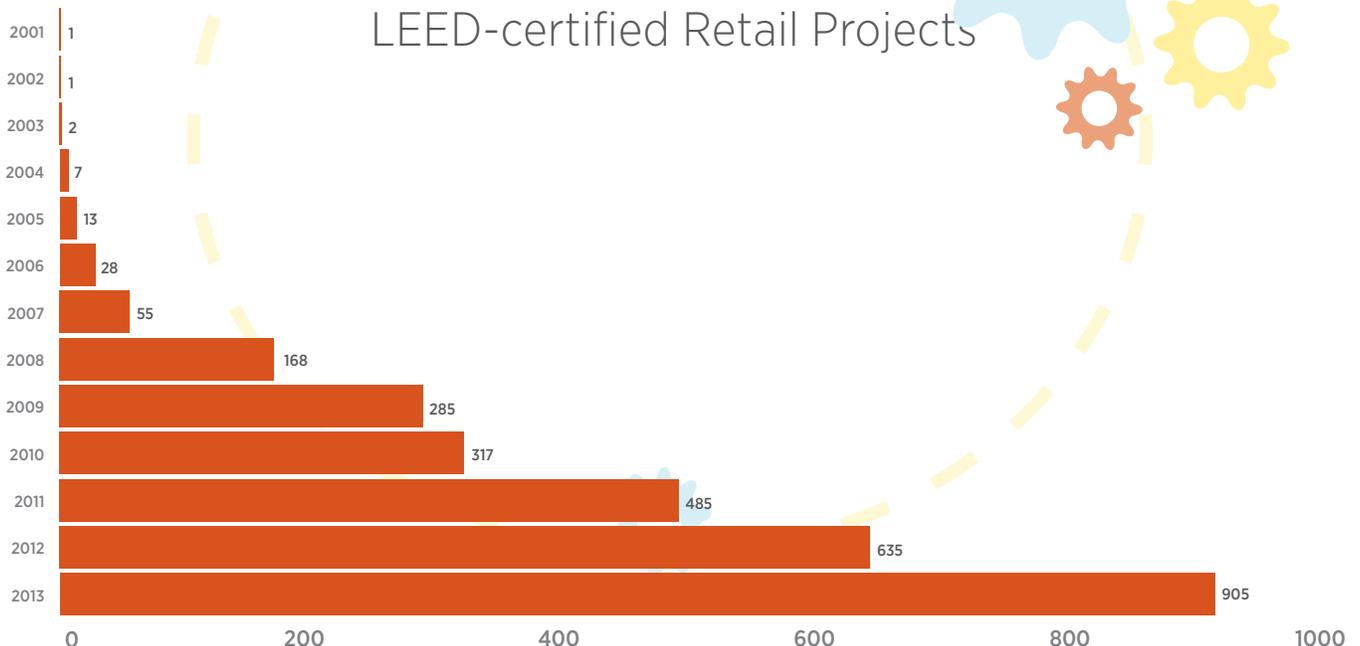
668



75

82% of retail owners are aware of LEED and 61% of them currently use LEED or have used it in the past.⁸

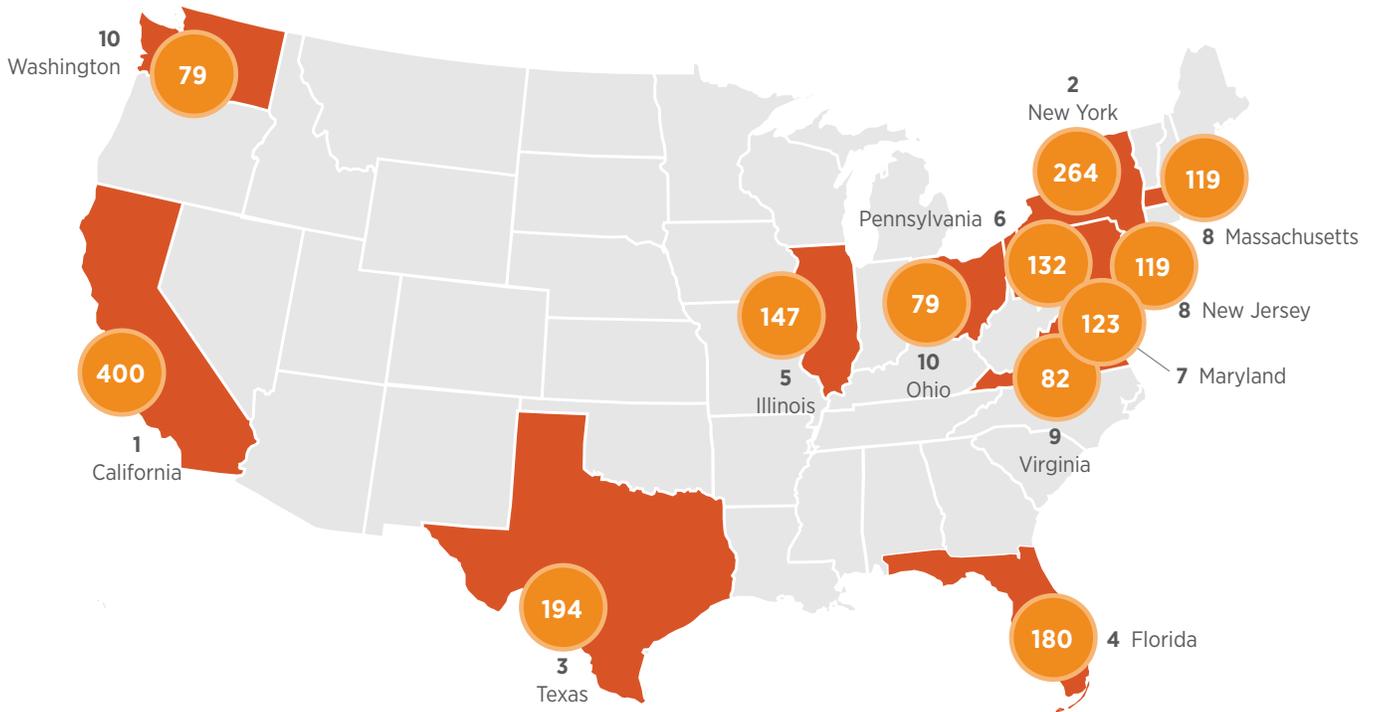
LEED-certified Retail Projects



* Annual certifications, not cumulative

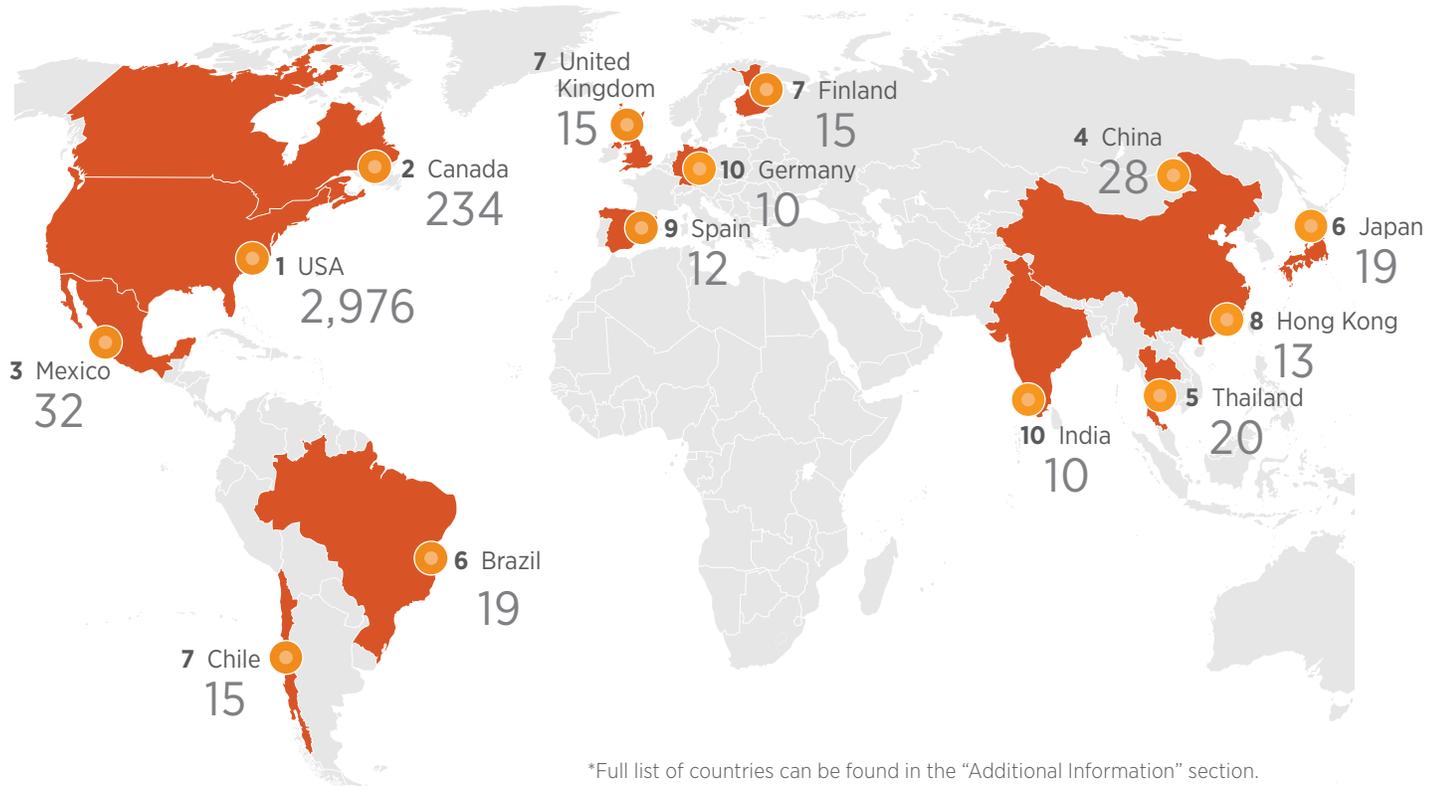
⁸ McGraw Hill Construction, *Green Retail and Hospitality SmartMarket Report* (2013), 46, <http://construction.com/SMR/GreenRetailandHospitality>.

Top 10 U.S. States with LEED for Retail Certified Projects



*Full list of states can be found in the "Additional Information" section.

Top 10 Countries with LEED for Retail Units (Certified + Registered)



*Full list of countries can be found in the "Additional Information" section.

TOP TEN CREDITS

The most frequently earned LEED for Retail credits showcase key impact areas.

100%	of projects reduced pollution and land development impacts from automobile use by achieving Sustainable Sites credit 4	
98%	of projects reduced the quantity of indoor air contaminants that are odorous, irritating and/or harmful to the comfort and well-being of installers and occupants by achieving Indoor Environmental Quality credit 4	
98%	of projects reduced environmental and economic impacts associated with excessive energy use by achieving Energy and Atmosphere credit 1	
96%	of projects used building products that incorporate recycled content materials, thereby reducing impacts resulting from extraction and processing of virgin materials by achieving Materials and Resources credit 4	
95%	of projects provided a comfortable thermal environment that promotes occupant productivity and well-being by achieving Indoor Environmental Quality credit 7.1	
95%	of projects increased water efficiency within buildings to reduce burden on municipal water supply and wastewater systems by achieving Water Efficiency credit 3	
85%	of projects avoided the development of environmentally sensitive lands and reduced environmental impact from the location of a building on a site by achieving Sustainable Sites credit 1	
80%	of projects reduced indoor air quality problems resulting from construction or renovation and promoted the comfort and well-being of construction workers and building occupants by achieving Indoor Environmental Quality credit 3.1	
72%	of projects increased development density and protected greenfields, preserved habitat and natural resources by achieving Sustainable Sites credit 2	
67%	of projects diverted construction and demolition debris from disposal in landfills and incineration facilities, and redirected recyclable recovered resources back to manufacturing process and reusable materials to appropriate sites by achieving Materials and Resources credit 2	

Based on 369 certified projects under LEED Building Design and Construction: Retail v. 2009 . See the "Additional Information" section for more on these numbers.

"Recycling and waste management are highly valued by both retail and hotel owners—more so than in other sectors. Further, **77%** of retail and **73%** of hotel owners require their contractors to have green waste handling practices."⁹

⁹ McGraw Hill Construction, *Green Retail and Hospitality SmartMarket Report* (2013), 1, <http://construction.com/SMR/GreenRetailandHospitality>.

LEED PROJECT SPOTLIGHT

Destiny USA

Syracuse, NY

LEED for Core and Shell: Gold plus 50+ LEED-certified tenants

Certified February 2012

The founding partners of Destiny USA had a goal of creating a successful tourist destination that was not only an entertainment, dining and retail powerhouse, but also educated the global community that would construct it, work within it, and be entertained by it from a sustainability stand point.

After achieving LEED Core & Shell Gold certification, the Destiny USA team focused on its tenants: every retail tenant in the expansion portion of the project was required to earn LEED certification. More than 50 tenants have achieved certification to date, meaning innumerable people have learned about sustainability from the LEED process along the way. The team has found that tenants want to lease at Destiny USA because the brand stands for something so positive.

Among its sustainability achievements, the Destiny USA project was developed on a former brownfield. A portion of the land was formerly known as “Oil City,” an oil reserve facility covered in dilapidated oil storage tanks. The other portion of the site

was an old metal scrap yard. Years of remediation took place and the team is proud to say that a clean, environmentally minded building thrives where wasteland once existed.

The project also practices rainwater harvesting and is most proud of its operational sustainability measures. Destiny USA completed an energy efficient lighting retrofit, has grown its recycling program, and worked with local waste treatment groups to create a composting program. Twenty-five of Destiny USA’s restaurants participate in the project, and have composted 1,127,895 tons since the program began in July 2012.

Destiny USA actively engages the community in sustainability, holding an annual event to celebrate the latest green efforts of the complex and tenants, and engaging the local community through on-site sustainability events and sharing an annual sustainability report. Destiny USA continues to research green technology and opportunities to make the facility more energy efficient and environmentally friendly.



LEARN MORE about LEED retail projects. Visit usgbc.org/projects



LEED PROJECT SPOTLIGHT

Target

143 LEED-certified stores

For Target, sustainability is a principle that drives the decisions made across the company, and LEED has been a key component of Target's corporate sustainability initiatives. As the most widely-recognized sustainability rating system, LEED has provided an ideal platform through which Target has been able to quantify and validate specific sustainability commitments, and share those successes with guests, team members and the community.

While Target has certified a number of stores since 2005, it wasn't until the introduction of LEED volume certification that the potential for a large-scale rollout was realized. In 2013, Target achieved certification for 100 percent of the 124 new stores in Canada, and nine more in the U.S. (including the first LEED Gold Target store in San Rafael, California).

To help achieve Target's goals in conserving water and energy, and reducing waste, a typical new store will cut water use by up to 30 percent through efficient plumbing fixtures,

optimize energy performance through efficient lighting and mechanical systems, and reduce construction waste by diverting a significant percentage from landfills.

Through these measures alone, Target's LEED-certified stores achieved the following in 2013:

- Saved enough energy to power 8,253 homes annually
- Conserved enough water to fill 95 Olympic-size swimming pools
- Diverted enough construction waste from landfills to equal four and a half Eiffel Towers by weight

And that's just the beginning. In a number of locations, Target has integrated sustainable options such as solar power, electric vehicle charging stations, and native landscaping. With these efforts and others, Target continues to seek out new opportunities to shrink environmental impacts across the chain.



LEED PROJECT SPOTLIGHT

Nike Store

Buenos Aires, Argentina

LEED for Commercial Interiors: Gold

Certified January 2013

LEED certification is the way Nike is able to verify and track its sustainability efforts and confirm that overall goals are being met. Nike states: "LEED is both rigorous and the most globally recognized green building certification platform available. Its global presence and application allow us to compare each store equally no matter the geography that it lives in. It is also recognized by our discerning customers worldwide. LEED enables us to establish a baseline, uniformly track each store's performance, and compare our accomplishments both internally as well as externally with other world class brands."

Nike's brand of sustainability ties specifically to two of the company's maxims that drive Nike goals. These maxims are "doing the right thing" and "it is our nature to innovate." These maxims, along with others, drive the work at Nike every day, including efforts in sustainability. LEED helps establish goals for Nike's teams and holds them accountable for their results. LEED has also helped to transform the marketplace and sparked innovation, which Nike aims to lead, support and apply to best practices.

Below are some of the accomplishments of the Nike Store at the Unicenter in Buenos Aires:

- 100 percent of new wood is FSC certified
- 42 percent water use reduction
- 100 percent ENERGY STAR products
- 40 percent lighting power reduction
- 96 percent of construction waste diverted from landfill
- 22 percent of recycled content as a percentage of total material cost
- Ongoing communication of LEED and sustainability inside the store



LEARN MORE about LEED retail projects. Visit usgbc.org/projects

LEED USER SPOTLIGHT



Jonathan Balas

AIA, LEED AP BD+C

Senior Manager, Global Sustainability, Yum! Brands, Inc.

Yum!

Yum!, the restaurant company behind global brands KFC, Taco Bell and Pizza Hut, has an impressive global LEED strategy. Learn more about their sustainability work.

Why did Yum! choose LEED to certify your locations? With more than 40,000 restaurants, and continued rapid growth around the globe, we've embraced our responsibility to be environmentally responsible corporate stewards. Green buildings are a core component of our approach to reduce the environmental footprint for our KFC, Taco Bell and Pizza Hut restaurants.

Our 20 LEED-certified buildings stretching from Northampton, Mass. to Bangkok, Thailand have provided field-tested and restaurant ready solutions that can be deployed. Strategies include energy saving ventilation, air-conditioning, lighting, kitchen equipment as well as water conserving fixtures, kitchen equipment and irrigation. Of course, savings vary according to market, but we have seen up to 30 percent utility reductions in our LEED buildings. This is measured, not only by computer models, but by actually measuring consumption in a base building and comparing it to the nearby LEED building.

How does LEED help Yum! connect with customers and underscore you commitment to sustainability? The heart of sustainable building innovation and experimentation at Yum! has been the E3 Initiative - Energy, Environment and Economics. The goal of the initiative is to develop holistic

green building solutions that meet the bottom line objectives of people, planet and profits. That means when we think about building a restaurant sustainably, we're not just thinking about individual components, like a fryer or building insulation, rather we're thinking about how all of the components interact, work together and how they impact the local site and beyond. LEED provides a fundamental, global framework to develop these solutions and to measure progress.

What's been the most exciting or impactful green building, retail-related initiative that you've worked on? The LEED Gold Xuan Wu Men KFC restaurant in Beijing, China (Commercial Interiors Retail) is a great example where real-time monitoring systems continuously measure the building's high efficiency systems including HVAC and lighting. Although it wasn't easy, the project also recycled 98 percent of construction waste and used building materials that contain 25 percent recycled content. Across the world in Orléans, France our LEED Gold (New Construction - Retail) project is equally impressive where innovations such as rainwater harvesting and solar hot water are being tested. Our restaurants are where our customers come to enjoy our food as well as to learn how much we care about the environment.



PEOPLE

“We see our customers as invited guests to a party, and we are the hosts. It’s our job every day to make every important aspect of the customer experience a little bit better.” - Jeff Bezos

Corporate Social Responsibility

Where we shop and how we procure the items that enable us to live well—from the bread we break with family and friends, to the furniture on which we relax, to the suit we wear to work—says a lot about us as individuals. We believe retail should be a positive experience for people, the economy and our planet’s resources. As the number and force of green retailers continues to grow rapidly, that is becoming an increasing reality.

“Consumption” is a loaded word. But global retailers with an increasing commitment to responsible and sustainable practices are changing that. In myriad ways, consumption can be linked with positive change: green building is a key example of those methods. Retailers are examining product supply chains to eliminate unnecessary impacts and energy, returning proceeds to non-profits and much more. Consumers are buying local, seeking out minimal or recycled packaging and purchasing Earth-friendly products. These principles of “responsible retail” all help influence the LEED for Retail rating systems.

LEED helps small and large retailers alike meet high-level corporate social responsibility and sustainability goals. LEED demonstrates a strong public commitment to and investment in a sustainable future. The third-party review aspect of LEED brings transparency and global recognition and lends credibility to a sustainability commitment. Above all, it demonstrates leadership. Companies pursuing LEED certification join the ranks of top global retailers like Kohl’s, Starbucks, Verizon and Target.

WHO SHOPS AT LEED-CERTIFIED RETAILERS

Looking at data from the largest retail users of LEED, USGBC estimates that up to **1.2 million** people experience one of these LEED-certified retail locations each day. Among them:

229,000 people experience a LEED-certified Starbucks location each day.

82,000 people experience a LEED-certified Kum & Go convenience store each day.

1,000 people experience a LEED-certified Walgreens location each day.

*See the “Additional Information” section for more on these statistics.

“LEED has been a large component of our public outreach and education. We started communicating LEED features to both employees and customers. They’re both critical audiences. For the customers in the retail setting, their experience in the physical space is very important.”

- Ana Meyer,

Corporate Sustainability Principal,
Verizon Wireless

A report from the California Energy Commission shows that increased hours of daylight per retail store were strongly associated with increased sales and increased transactions.¹⁰

Health and Well-being

So much of retail performance involves the customer experience: service, selection, site. A customer walking into a sunlight-filled, well-ventilated shop has a much different experience than one entering a stuffy, outdated building with florescent lighting throughout. Retail staff spend lengthy shifts inside these stores, shops and complexes. Shouldn't our global marketplace be one that enhances our health and makes us feel comfortable? We think so.

LEED certification affects and enhances virtually all aspects of a retail location: lighting, temperatures and quality of air. The indoor air is fresh, and free of off-gassing volatile organic compounds. The store's lighting may be enhanced by tubular skylights and other highly efficient bulbs. LEED-certified buildings are demonstrating increased employee recruitment and retention rates and increased productivity. LEED certification equates to a more comfortable place for customers and employees.

A number of LEED for Retail credits tie directly to the occupant experience, enhancing health and wellbeing:

LEED FOR RETAIL—NEW CONSTRUCTION AND COMMERCIAL INTERIORS

Construction Activity Pollution Prevention: Airborne dust from construction activity can have both environmental and human health impacts. Fine dust particles enter airways and lungs with ease and have been linked to numerous health problems including asthma, decreased lung function, and breathing difficulties. Preventing pollution of the air during construction mitigates these impacts for those working on the project and surrounding community.

Alternative Transportation-Public Transportation Access: Retail locations in walkable urban areas, that are bicycle-friendly and have access to public transportation, spur increased levels of physical activity which can improve occupants' health.

Alternative Transportation: Low-Emitting and Fuel-Efficient Vehicles: Personal vehicles generate large portions of the air pollutants responsible for smog and ground-level ozone, both of which have negative effects on human health. Alternative-fuel and fuel-efficient vehicles emit less air pollution and also avoid the negative effects of producing gasoline.

Light Pollution*: Human health can be damaged by misuse of light. Overexposure to artificial lighting, particularly at night, may disrupt circadian rhythms and melatonin production, impair night vision and lead to sleep disorders. Providing adequate light installations that increase night sky access and improve nighttime visibility, particularly in large retail settings, can have a positive impact on the environment and human health.

Best Buy: "Given Best Buy's commitment to sustainability, LEED volume certification becomes an easy sell. Its impact on upfront costs is negligible, and it supports all of our most essential sustainability initiatives: energy reduction, carbon reduction, lower building life-cycle costs, and improved indoor environmental quality. What's not to like? At this point volume certification is just part of how we're doing business."¹¹

*Also applies to existing buildings

10 California Energy Commission, *Daylight and Retail Sales* (2003), V, <http://www.energy.ca.gov/2003publications/CEC-500-2003-082/CEC-500-2003-082-A-05.PDF>.

11 U.S. Green Building Council, *LEED Volume Program: Testimonial - Best Buy*, http://www.usgbc.org/sites/default/files/Testimonial_Volume_BestBuy.pdf.

Water Efficiency*: Human health and environmental welfare are affected when reservoirs and groundwater aquifers are depleted due to lower water levels that can concentrate both natural contaminants, such as radon and arsenic and human pollutants such as agricultural and chemical waste. Increasing water efficiency in buildings and tenant spaces helps to keep contaminants at safe levels.

Energy and Atmosphere*: Energy production from traditional, fossil fuel-based sources is a significant contributor to air pollution, releasing such pollutants as sulfur dioxide, nitrogen oxide and carbon dioxide. This has widespread and adverse effects on human health, especially respiratory health, and contributes to acid rain, smog and concentrations of greenhouse gases. Energy efficient retail outlets burn fewer fossil fuels, which decreases the associated air pollution from buildings.

Minimum Indoor Air Quality Performance and Increased Ventilation*: Proper ventilation brings fresh air into a space while flushing exhaust contaminated air out, making indoor air cleaner and healthier for occupants and customers.

Environmental Tobacco Smoke Control*: Prevents second hand smoke transfer. Environmental tobacco smoke contains thousands of chemicals, more than 50 of which are carcinogenic.

Construction Indoor Air Quality Management Plans: A comprehensive building indoor air quality management plan can help minimize health risks to existing tenants during construction of new tenant spaces.

Low Emitting Materials and Furnishings*: Working with suppliers to use low-emitting and non-toxic products and materials throughout a store or restaurant can positively contribute to the overall health of the employees, customers and environment. Paints, coatings, adhesives and building materials can be chosen to minimize off-gassing of harmful volatile organic compounds, which in turn maximizes indoor air quality.

Indoor Chemical and Pollutant Source Control: Reducing the potential for spills supports the well-being of occupants which may contribute to lower health insurance rates and health care costs for employers.

Drivers and Incentives

According to a survey conducted by McGraw Hill, 70 percent of retail owners surveyed defined government (local/state/federal regulations/standards) to have the highest impact as a non-business factor on their decision to engage in green projects.¹² Policy-based drivers influencing retail space typically fall into two broad categories: incentives and requirements. Some examples of policy incentives include: density bonuses, expedited permitting, tax credits and abatements, and technical assistance. Policy requirements include mandates, green building codes, and mixed-use zoning. Outside of direct government intervention, green leasing provides an example of a market-based option that provides a structure for overcoming barriers for greening retail spaces. Green leasing is innovative legal language that seeks to address the issue of landlord-tenant split incentive, long identified as a key barrier to improving rented building stock.

Evidence suggests that land use and transportation planning and policy have a **direct impact** on public health. Studies have consistently shown that people who live in compact, mixed-use, and **walkable communities** are less likely to be obese and hypertensive compared to people who live in auto-oriented communities.¹³

*Also applies to existing buildings

¹² McGraw Hill Construction, *Green Retail and Hospitality SmartMarket Report* (2013), 34, <http://construction.com/SMR/GreenRetailandHospitality>.

¹³ San Diego Forward, *Public Health White Paper*, 4, <http://www.sdforward.com/sites/sandag/files/Public%20Health%20White%20Paper.pdf>.

LEED PROJECT SPOTLIGHT

Kohl's

434 LEED-certified stores

Kohl's is committed to being a leading environmentally responsible retailer. LEED is one way they put this commitment into practice. An active member of the U.S. Green Building Council since 2007, Kohl's utilizes USGBC's LEED rating systems to guide best practices in the design, construction and operations of more than 1,100 stores and corporate facilities. To date, Kohl's has more than 430 LEED-certified locations, which amounts to more than 35,600,000 square feet of LEED-certified space.

In 2008, Kohl's made the commitment to pursue LEED certification for all newly constructed stores and corporate facilities. In addition, to continually improve operational performance, all Kohl's stores, regardless of LEED certification status, are maintained and operated using the LEED for Existing Buildings: Operations & Maintenance sustainability guidelines. To support these initiatives, Kohl's

has also achieved a Gold pre-certified LEED prototype for LEED New Construction, Existing Buildings and Commercial Interiors through volume certification.

Features which contribute to the LEED certification of Kohl's stores include ENERGY STAR certification, commitment to green power, water-efficient plumbing fixtures, waste recycling, as well as participation in the company's green cleaning program and sustainable purchasing practices. One example of the impact of leveraging the LEED system is that Kohl's achieved its goal of having 800 ENERGY STAR-certified stores by 2015 two years ahead of schedule, reaching 821 stores in 2013. Kohl's shares its LEED accomplishments with customers and stakeholders on KohlsGreen.com, in the company's annual corporate social responsibility report, as well as in LEED-certified stores via store door decals and overhead announcements.



LEED PROJECT SPOTLIGHT

Ušće Shopping Mall

Belgrade, Serbia

LEED for Existing Building: Operations and Maintenance: Certified

It's an easy to decision to pursue LEED when you're the building owner and it's your building. But what happens when your building is a shopping mall? Suddenly, it's not just your decision. You need to convince your tenants. In the case of the Ušće Shopping Mall, a structure that straddles old and new Belgrade, there were 100+ tenants—all paying for their own square feet of space—that needed to be convinced that this was a good financial investment for them. One key solution? Free energy consultations.

"No one had performed the math for them," says Marija Golubovic, a LEED AP since 2008 and a key consultant on the Ušće Shopping Mall project. "Tenants don't immediately see the direct interest or likely long-term benefits to pursuing green building certification. Yet, when you do these free energy audits for them, we can credibly say, 'If you change and invest money here, you will in ten months regain that money over here.'"

Each tenant receives the energy status of his or her space. They know how they are spending, if it is good spending, and how to make improvements and further decrease overhead costs. And through the process, they've become aware of the health impacts for their employees and customers.

Daily, 30,000 people pass through Ušće Shopping Mall. There are not many shopping malls in the heart of Belgrade but Ušće is one that is centrally located. Many locals consider it to be their "new museum" – a place not just for shopping, but for socializing and taking appointments. It's become a de facto community center with many flocking to the mall because of the high air quality inside.

"People in Belgrade complain about the poor air quality," says Golubovic. "We wanted them to sense the difference immediately in this building. We monitor fresh air. It's all filtered. The tenants can now sense the difference."

The project took two years to complete and Golubovic, her team and facility management team, proudly boast that they are all "LEED addicts" now.

"LEED for Existing Buildings: Operations and Maintenance (LEED EB: O+M) is final proof on how the building is behaving," says Golubovic. "LEED for New Construction is great, a wonderful premise for the future. But how we run and manage this building...it's all LEED EB: O+M. These buildings are like space ships and the facility team has been very comfortable running the building because of the controllable features of the LEED EB: O+M system."



LEARN MORE about LEED retail projects. Visit usgbc.org/projects

LEED PROFESSIONAL SPOTLIGHT



Curt M. Radkin

Senior Vice President, Corporate Properties, Wells Fargo & Company

Wells Fargo is a tremendous industry leader in regards to their pursuit of LEED. Curt M. Radkin, who leads the company's strategy for minimizing environmental impact of Wells Fargo's real estate portfolio, discusses his approach.

Why did Wells Fargo choose LEED to certify its locations?

LEED is an industry best practice approach to building and managing real estate. With Wells Fargo's renewed environmental commitment released in 2012, we wanted more granularity and transparency around our energy, water and waste goals. LEED is a very effective tool to help us drive toward these goals, providing an independent third party verification of our accomplishments.

How does LEED help Wells Fargo connect with customers and underscore its commitment to sustainability?

We leverage our LEED certification process to educate team members and customers on the benefits of reducing our consumption of natural resources, as well as the direct benefit to the communities where we work, live and do business.

What is one message that you think every company should know about the importance of sustainability and green building in the retail sector?

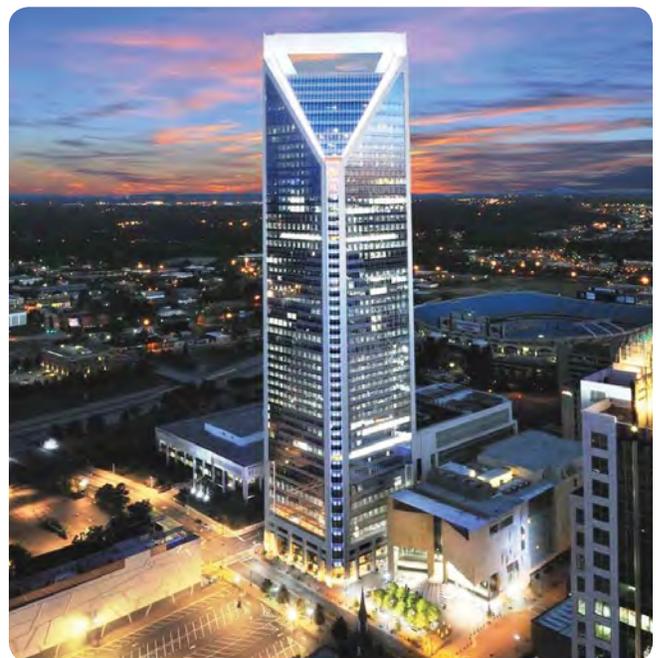
Promoting the health, well-being and productivity of our team members and customers is a huge driving force toward our environmental stewardship. While the positive impact on people is the most difficult attribute to measure, the fact that clean indoor air, access to daylight and views to the outdoors make people feel better is indisputable.

What's been the most exciting or impactful green building, retail-related initiative that you've worked on?

In 2013, Wells Fargo launched a LEED for Existing Buildings: Operations and Maintenance (LEED EB: O+M) volume initiative for our retail stores with the intention of certifying store operations at a scale never before achieved. We certified the first 91 stores in May of this year. That was the single largest simultaneous certification in the history of LEED, and increased the number of LEED for Existing Buildings certifications by three percent globally.

How do you envision the future of green building and retail? What's in the cards and how will we get there?

Wells Fargo has been constructing new stores under LEED for New Construction and LEED for Commercial Interiors through LEED volume certification since 2008. This work provided our company its first exposure to green buildings and sustainability early in the development of our environmental commitment. While this work has been critically important in educating us on LEED, sustaining green building attributes through the ongoing operations is the "holy grail" of sustainability. We have more than 6,000 retail stores and only a couple hundred of these are new over the last five years. Developing a LEED EB: O+M strategy through LEED volume to drive industry best practices into our day-to-day operations has been a huge learning experience. The LEED EB: O+M program was not developed with small retail stores in mind. The economic drivers for operating small stores are completely different. In collaboration with the USGBC and our strategic partner CBRE, we created a LEED EB: O+M volume program tailored to our needs with plans to certify 100 stores annually through 2020. We hope our program can be leveraged to help other small store format retailers develop LEED EB: O+M programs for their portfolios. When that happens, the planet wins.



ADDITIONAL INFORMATION:

Page 6: Top Ten U.S. States with LEED Retail Certified Projects

STATE	LEED-CERTIFIED PROJECTS
CA	404
NY	265
TX	195
FL	180
IL	148
PA	132
MD	124
NJ	119
MA	108
VA	82
OH	79
WA	79
CO	76
MI	72
NC	72
AZ	70
WI	69
IA	50
CT	50
GA	50
MN	49
OR	42
DC	36
MO	35
TN	29
AR	27

STATE	LEED-CERTIFIED PROJECTS
SC	26
IN	23
NH	20
NV	20
ME	18
UT	18
AL	18
NM	17
RI	16
HI	16
KS	16
OK	15
MS	14
NE	13
KY	13
DE	13
ID	12
MT	10
WY	9
LA	9
ND	6
SD	5
WV	5
VT	4
PR	4
AK	1
Grand Total	2983

Page 6: Top Ten Countries with LEED Retail Projects (Certified + Registered)

COUNTRY	LEED PROJECTS
US	6881
CA	276
CN	95
BR	51
AE	44
MX	41
HK	34
CL	31
FI	29
GB	29
IN	26
ES	25
TH	25
JP	23
DE	21
TR	21
SE	17
CO	16
KR	16
IT	15
PE	14
FR	12
PA	11
SG	10
TW	10
MY	10
SA	10
AU	8
EC	8
CR	7
AR	6
PL	6
RS	6
IL	5

COUNTRY	LEED PROJECTS
LB	5
NL	5
PH	5
PT	5
RO	5
QA	5
LK	4
SK	4
BG	3
CH	3
GT	3
EG	3
HR	3
RU	3
AT	2
BE	2
EE	2
SV	2
VN	2
BH	2
PK	2
DJ	1
ID	1
DK	1
GR	1
JO	1
KE	1
KZ	1
LC	1
MA	1
MO	1
MT	1
SI	1
SY	1
UY	1

Page 7: Top Ten Credits

LEED Building Design and Construction: Retail v. 2009				
Credit	Name	Count of Projects (Achieving)	Count of Projects (Total)	Percent of Projects (Total-Achieving)
SSc4	Alternative transportation	368	369	100%
EQc4	Low-emitting materials	363	369	98%
EAc1	Optimize energy performance	361	369	98%
MRc4	Recycled content	355	369	96%
EQc7.1	Thermal comfort - design	351	369	95%
WEc3	Water use reduction	349	369	95%
SSc1	Site selection	313	369	85%
EQc3.1	Construction IAQ management plan - during construction	295	369	80%
SSc2	Development density and community connectivity	266	369	72%
MRc2	Construction waste management	249	369	67%

Page 12: Who Shops at LEED-Certified Retailers?

Calculation: [# of certified LEED projects] x ([Avg. # of employees per store] + [Avg. # of customers per day at store])

Company	Certified Projects	Avg. Employees per store	Avg. Daily Customers per Store	Total People 'Experiencing' the LEED Space*
Walgreen's	1	20	770	1,000
Kum & Go	74	5	1100	82,000
Starbucks Coffee Company	452	6	500	229,000
Total (includes data from 18 companies)	1881	35 (weighted average)	617 (weighted average)	1,226,000

*Rounded to the nearest thousand. The estimated total represents data from 18 companies (including those listed here), some of which have been removed for confidentiality reasons. Data on average number of employees and customers has been extrapolated in some cases based on available industry data and averages.

ACKNOWLEDGMENTS

Every single day we make decisions about what to purchase and where to shop. At USGBC, we are immensely proud that the LEED for Retail program enables both consumers and retailers to make positive change through green building practices, education and environmental stewardship.

We are deeply grateful to and inspired by the users of LEED for Retail, especially the brands and companies that helped develop the program through its pilot phase and that are certifying their building portfolios to enact widespread change.

But most of all, we thank consumers everywhere for being mindful and making forward-thinking choices about purchases, from coffee to countertops. Look for the LEED plaque next time you're out and about running errands or shopping for groceries. That's a store worth supporting!

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