ELLEN MACARTHUR FOUNDATION | UN environment programme

Apparel sector

EXPLORE SIGNATORIES' ONLINE DATA | READ THE GLOBAL COMMITMENT 2021 PROGRESS REPORT

ABOUT THESE SECTOR INSIGHTS:

This document presents insights and data on the progress made by apparel signatories listed below to achieve their commitments on plastic packaging. This document is part of the 2021 Global Commitment Progress Report.

GLOBAL COMMITMENT SIGNATORIES REPORTING IN THIS SECTOR:

ASOS

H&M Group*

Inditex

LPP

Stella McCartney

Superdry Plc

**This signatory did not provide data for one or more metrics for 2019 and so is excluded from year-on-year comparisons for the relevant metric(s).*

KEY INSIGHTS

All signatories in the apparel sector saw a reduction in their use of virgin plastic packaging over the last year, with this trend set to continue thanks to new reduction targets.

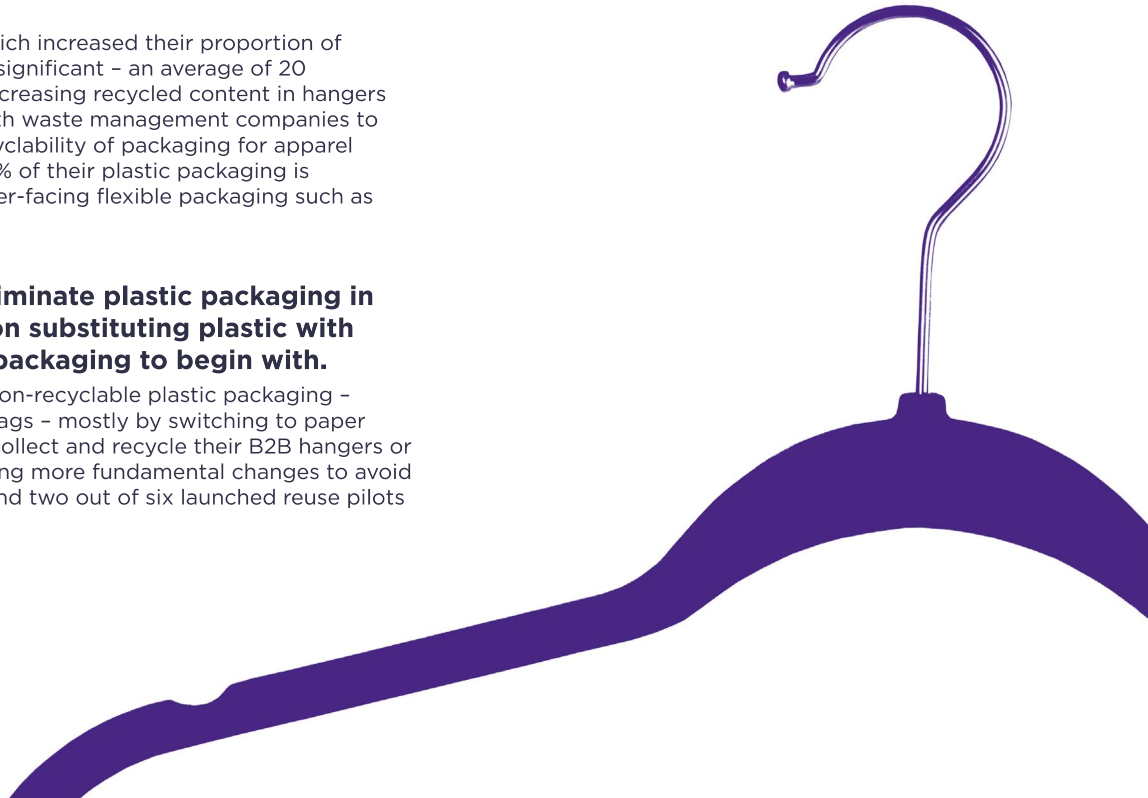
In 2020, all apparel signatories saw a decline in their use of virgin plastic in packaging, which decreased by 31% on average. This was driven significantly by an overall reduction in plastic packaging weight for the sector as a result of COVID-19. However, through new reduction targets, all apparel signatories have now committed to reduce their use of virgin plastic in packaging – on average by 46% – by 2025.

Half of the group made progress on increasing their use of post-consumer recycled content, with all signatories facing a significant challenge on recyclability.

For the three out of the six apparel signatories which increased their proportion of post-consumer recycled content, the growth was significant – an average of 20 percentage points. Signatories have focused on increasing recycled content in hangers and flexible packaging, with several partnering with waste management companies to collect and recycle hangers and/or polybags. Recyclability of packaging for apparel signatories remains a challenge: An average of 63% of their plastic packaging is non-recyclable, including PS hangers and consumer-facing flexible packaging such as e-commerce bags and carrier bags.

Despite more actions being taken to eliminate plastic packaging in apparel than in other sectors, focus is on substituting plastic with paper, rather than avoiding single-use packaging to begin with.

Apparel signatories have focused on eliminating non-recyclable plastic packaging – especially hangers, plastic carrier bags, and polybags – mostly by switching to paper alternatives and creating closed-loop systems to collect and recycle their B2B hangers or polybags. However, few signatories reported making more fundamental changes to avoid the need for single-use packaging to begin with and two out of six launched reuse pilots over the reporting period.



REDUCTION TARGETS

From 2021, signatories are required to set 2025 targets to reduce their total weight of plastic packaging or virgin plastic in packaging to remain in the Global Commitment.

Number of signatories with virgin and/or total plastic packaging reduction targets

VIRGIN REDUCTION TARGET HIGHLIGHTS (i):

- **Superdry** has set a 70% virgin reduction target from its 2018 baseline. **Inditex** and **ASOS** have set 50% virgin reduction targets from their 2019 baselines.

TOTAL REDUCTION TARGET HIGHLIGHTS (ii):

- **H&M Group** has set a total plastic reduction target of 25% from its 2018 baseline, while **Stella McCartney** is targeting 100% reduction.

(i) Virgin reduction targets aim to decrease the total weight of virgin plastic in packaging and should be underpinned by efforts on reuse and elimination in addition to increasing the use of recycled content.

(ii) Total reduction targets aim to reduce the total weight of plastic packaging.

For more information on reduction targets read the 2021 Progress Report.

ELIMINATION OF PROBLEMATIC OR UNNECESSARY PLASTIC PACKAGING

Top 5 plastic packaging categories targeted for elimination or reduction in the sector

Number of apparel signatories eliminating or reducing the plastic packaging category vs total number of signatories with the category in their portfolio

TRENDS:

- Signatories most commonly reported targeting single-use plastic carrier bags, hangers, other consumer-facing flexible packaging, B2B flexible packaging as well as labels or stickers.
- However, of the examples of elimination submitted, the majority (64%) were delivered by switching to paper alternatives – especially for carrier bags – with limited actions to avoid single-use packaging (such as plastic bags or films used to protect products) to begin with.

HIGHLIGHTS:

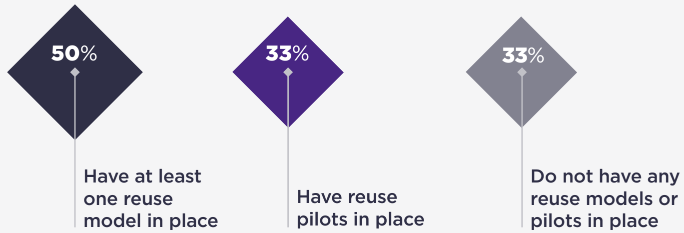
- **H&M Group** is implementing a closed-loop system for reusable hangers, eliminating 93 million single-use hangers so far.
- In 2020, **Inditex** eliminated 600,000 plastic shoe trays used in its warehouses, as well as plastic bags used to protect sheets at its Zara Home stores, and single-use beverage and food containers at its facilities. With the aim of eliminating single-use plastic packaging from customer interface by 2023, the company is setting up a dedicated packaging team, conducting benchmarking analysis about packaging best practices, and developing new traceability and improvement measures for packaging.

MOVING FROM SINGLE-USE TOWARDS REUSE MODELS

Average reusable plastic packaging in 2020: 11% (▲ 5.6pp vs 2019)[1]

Signatories at each stage of engagement with reuse

As a % of apparel signatories



TRENDS:

- Apparel signatories have a relatively high proportion of reusable plastic packaging compared with other sectors, largely due to the B2B reuse models for hangers or pallets that have been implemented by half of the signatories.
- However, the introduction and expansion of reusable plastic packaging for consumers remains limited. Also, only one signatory reported launching two reuse pilots in 2020 (**Stella McCartney**), and only one is planning to implement more than three by 2025 (**H&M Group**).

HIGHLIGHTS:

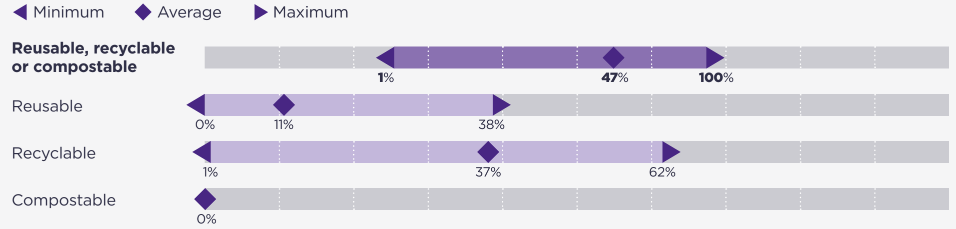
- **H&M Group** and **Inditex** have implemented closed-loop systems to reuse hangers, which they are in the process of extending across stores.
- **H&M Group** plans to launch 10 reuse pilots by 2025 including refillable solutions for new bath and body assortments and reusable online packaging.
- **ASOS** has launched a trial of reusable bags which, if proven successful (based on the number of uses per bag, efficiency at its warehouses, and any bag losses), will be rolled out across all staff orders by 2025, eliminating approximately 100,000 single-use plastic mailing bags.

100% REUSABLE, RECYCLABLE OR COMPOSTABLE (RRC)[2]

Average RRC in 2020: 47% in 2020 (▲ **2.2pp** vs 2019) || **2025 target: 100%**[3]

Share of reusable, recyclable, or compostable plastic packaging

Average share of reusable, recyclable, or compostable plastic packaging for apparel signatories as a % of total plastic packaging weight



TRENDS:

- The increase in the average proportion of reusable, recyclable, or compostable plastic packaging was driven by growth in reusable plastic packaging.
- Two signatories increased recyclability through eliminating non-recyclable packaging, including by switching to paper, and by implementing closed-loop systems for polybags or hangers to send them to recyclers. However, half of the signatories did not increase the share of their recyclable plastic packaging and the sector has a high proportion of non-recyclable plastic packaging (63% on average) including PS hangers, e-commerce bags and carrier bags. This will need addressing by innovating away from these packaging types or scaling recycling infrastructure.

HIGHLIGHTS:

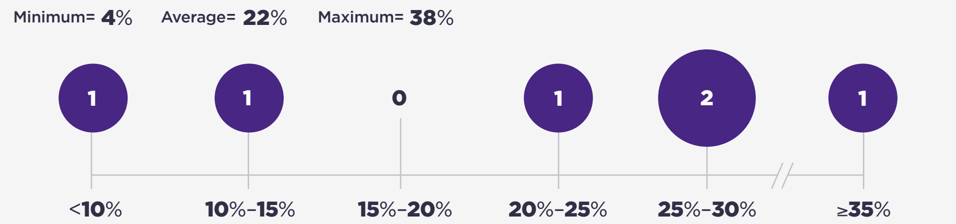
- **H&M Group** and **Inditex** are both implementing a closed-loop system for hangers to reuse them and have collaborated with waste managers to recycle them.
- **Superdry** is removing polybags at distribution centres (before shipping garments to stores), and is sending them back to suppliers where they are recycled in their closed-loop recycling facility.
- **H&M Group** and **Inditex** have explicitly and publicly recognised that EPR is the only proven way to ensure sufficient funding for the collection, sorting, and recycling of packaging, and that without it recycling is unlikely to ever scale.

POST-CONSUMER RECYCLED CONTENT (PCR) TARGETS

Average PCR in 2020: 22% (▲ **5.4pp** vs 2019) || **2025 target: 52%**[4]

Levels of post-consumer recycled content in plastic packaging

Distribution of percentages of post-consumer recycled content in plastic packaging for apparel signatories



TRENDS:

- Three signatories (50%) increased their proportion of post-consumer recycled content from the previous year, with efforts mostly focused on hangers and flexible plastic packaging such as e-commerce bags and polybags.
- Two signatories (**Superdry** and **H&M Group**) reported a decrease in post-consumer recycled content as they focused first on eliminating unnecessary plastic packaging from their portfolios, including polybags and carrier bags, which contained high levels of recycled content.

HIGHLIGHTS:

- **ASOS** increased its share of post-consumer recycled content from 9.2% to 27% in 2020 and had its recycled content certified by the Global Recycled Standard (GRS). The company also increased its 2025 post-consumer recycled content target from 30% to 50%.
- As well as reducing overall use of polybags, **Superdry** is working with its suppliers to recycle polybags into new ones, increasing its post-consumer recycled content to meet its 70% target in 2021 – four years ahead of schedule.

PLASTIC PACKAGING PORTFOLIO BREAKDOWN

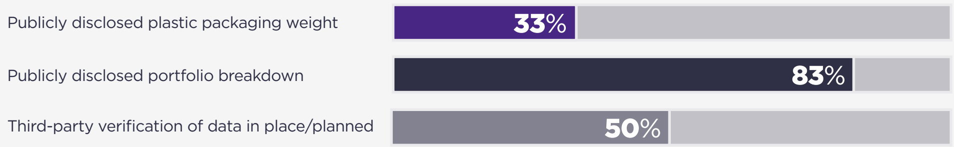
Plastic packaging portfolio breakdown[5]

Average share of each plastic packaging category in apparel signatories' portfolios

TRANSPARENCY

Key transparency metrics

As a % of apparel signatories



ENDNOTES

1 In this document, the quantitative metrics for 2020 and 2025 targets represent the non-weighted average of the data reported by all signatories in the sector. The year-on-year changes reported across all metrics refer to those seen for signatories reporting in both the last two years (i.e. data from signatories reporting for the first time in 2021 are not included as part of the change).

2 To be claimed as recyclable/compostable according to the Global Commitment definition of recyclable/compostable 'in practice and at scale', packaging needs to meet the thresholds of being recycled/composted at a 30% rate across multiple regions, collectively representing at least 400 million inhabitants. For more information, see 'How are recyclability and compostability assessed in the Global Commitment?' in the 2021 Progress Report.

3 In this document, the quantitative metrics for 2020 and 2025 targets represent the non-weighted average of the data reported by all signatories in the sector. The year-on-year changes reported across all metrics refer to those seen for signatories reporting in both the last two years (i.e. data from signatories reporting for the first time in 2021 are not included as part of the change).

4 Ibid.

5 HDPE= High-density polyethylene, PE = Polyethylene, PET = Polyethylene terephthalate, PP = Polypropylene

6 Packaging categorised as 'other' represents packaging not classified by signatories under any predefined categories but could include rigid or flexible packaging. This packaging was not assessed as recyclable in practice and at scale.

READ OTHER SECTORS INSIGHTS

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DISCOVER WHAT ELIMINATION AND REUSE SOLUTIONS CAN BE IMPLEMENTED WITHIN YOUR ORGANISATION IN OUR UPSTREAM INNOVATION GUIDE

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