



# Country Road Group

Building on success in a new business  
structure





# Building on success in a new business structure

This case study describes the process undertaken by Country Road Group to plan a new approach to packaging sustainability, with assistance from the Covenant Member Services team. The process identified a number of successful initiatives that had already been implemented, which could be shared and rolled out in other parts of the business. New opportunities were identified to reduce packaging waste; and to improve recycling and reuse at head office, in distribution centres, retail stores and post- consumer.

## This case study highlights

- A change in business structure or ownership can provide an opportunity to reinvigorate your packaging sustainability strategy and programs, and
- The value of engagement across business groups to share information on successful initiatives and in identifying new ideas.

## About the company

The Country Road Group is one of Australia's largest specialty fashion retailers with four differentiated brands: Country Road, Trenery, Witchery and Mimco.

Originally established as a niche women's shirt business in 1974, Country Road has evolved into a high street fashion and homewares retailer. The company established a Covenant action plan in 2010, incorporating its most recent brand, Trenery. In 2012, the company acquired Witchery and Mimco and changed its name to Country Road Group.

Integration of the four brands into a new corporate structure has provided the catalyst for Country Road Group to reinvigorate its approach to sustainability and the Covenant. A new Sustainability Strategy is being finalised, with a vision to become a leader in sustainability- with goals, measures and targets in seven key areas: ethical trade, raw materials, energy, water, waste, social development, and health and wellness. The company's commitments to the Covenant will be addressed under the broader waste area. As part of this, an updated action plan and packaging assessment process is being developed to cover the entire group.





# The case study

In December 2014, a cross-functional workshop was held with design, marketing, and visual merchandising representatives from each of the four brands, as well as corporate functions including procurement, distribution, and corporate social responsibility.

The objectives of the workshop were to:

- Identify packaging sustainability challenges and opportunities across the business,
- Highlight the need for a supply chain perspective to capitalise on opportunities in procurement, distribution and sales, and
- Undertake a trial packaging assessment for swing tags, as this packaging component is common to all four brands.

This case study documents some of the outcomes of the workshop.

## Achievements to date

The workshop provided an opportunity for existing sustainability initiatives to be documented and shared between the brands. Some of the existing initiatives that were acknowledged at the workshop are shown in Table 1.

**Table 1. Product and packaging sustainability initiatives at Country Road Group**

Brand	Achievements to date
<b>Country Road &amp; Trenerly</b>	<ul style="list-style-type: none"><li>• Existing packaging has been reviewed using the Sustainable Packaging Guidelines (SPG).</li><li>• Recycling symbols are included on all hangers and packaging.</li><li>• Hangers are reused.</li><li>• The 'Fashion Trade' campaign, in partnership with the Red Cross, encourages clothing recycling with customers and within the business; therefore reducing the amount of textile waste sent to landfill.</li><li>• A waste audit has been undertaken in stores.</li><li>• Marketing materials use paper stock certified by the Forest Stewardship Council (FSC) or the Programme for the Endorsement of Forest Certification (PEFC).</li></ul>
<b>Witchery</b>	<ul style="list-style-type: none"><li>• Reusable (magnetic) boards are replacing EPS foam for visual merchandising.</li></ul>





<p><b>Mimco</b></p>	<ul style="list-style-type: none"> <li>• There is a message on the bottom of retail bags to encourage reuse and recycling (see Figure 1).</li> <li>• Seasonal sales tags are now redesigned once a year rather than each season.</li> <li>• The size of swing tags has been reduced.</li> </ul>
<p><b>Distribution</b></p>	<ul style="list-style-type: none"> <li>• Incoming shippers are reused at distribution centers to send product to stores</li> </ul>

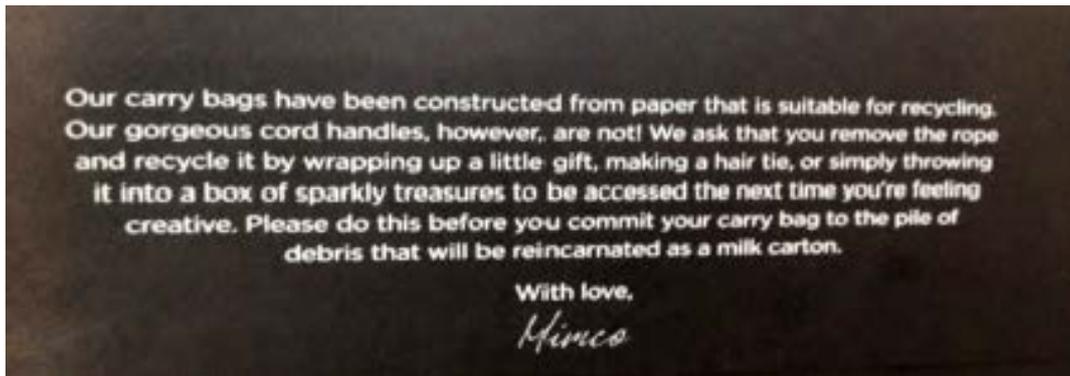


Figure 1. Message on Mimco bags encouraging reuse and recycling

“A lot of work has already been done to try to reduce our environmental footprint, so we’re not starting from scratch. The ideas that were raised at the workshop will be investigated further and will feed into our new sustainability strategy.”

**Eloise Bishop, Group Sustainability Manager.**

## New ideas for product and packaging sustainability

A range of ideas to reduce the environmental impacts of packaging, visual merchandising and marketing materials were identified at the workshop. These included opportunities to embed the SPG into business processes, as well as specific waste reduction strategies.

### Business processes

Senior management support and commitment are essential to ensuring that design for sustainability is implemented in a coordinated and consistent way. It was agreed that integrating sustainability into existing businesses processes will help to drive beneficial outcomes.





Integration can be achieved by:

- Ensuring that packaging sustainability targets are included in the sustainability strategy,
- Including relevant measures and accountabilities in operational and business plans,
- Developing clear and accessible guidelines for product and packaging suppliers, and
- Monitoring compliance with packaging sustainability requirements

## Design and procurement

As a Covenant Member, Country Road Group has committed to assess all of its new packaging using the SPG. This process needs to be efficient and relevant to each brand. The following actions were suggested at the workshop:

- develop a simplified set of packaging guidelines and a packaging assessment template to streamline the process
- develop a documentation and filing system for packaging assessments that will allow the outcomes to be easily accessed
- assess existing Witchery and Mimco packaging to identify improvement priorities for new packaging (assessments have already been completed for Country Road and Trenery)
- include packaging sustainability objectives in all design briefs
- include environmental performance as part of the packaging supplier selection process
- identify opportunities to reduce cost through more efficient or recycled-content packaging
- provide creative and marketing teams with information on the environmental trade-offs (for example, foil on packaging reduces recyclability, which is a potential negative for consumers)
- undertake consumer research to inform design and marketing strategies, for example, opportunities to promote sustainability through the brands and to engage with consumers to reuse and recycle.

A number of ideas were discussed in more detail, including:

- **Recyclability of retail packaging with foil:** a small amount of foil is unlikely to inhibit recycling but alternatives could be investigated (for example, to achieve high gloss printing without foil). Planet Ark's Covenant-funded Packaging Recyclability Evaluation Portal (PREP) recyclability assessment tool may provide some guidance.
- **Reuse of mood boards:** designers use sheets of expanded polystyrene (EPS) to display their visual concepts (called 'mood boards'). These are often thrown away after a single use as designers prefer a fresh, clean board. One group uses felt-covered boards that can be reused many times, and this could be investigated for more widespread use.

## Marketing

Ideas for waste reduction in marketing included:

- **Packaging for promotional gifts:** this often includes multiple layers and changes for each promotion. There are opportunities to reduce waste by developing a standard set of gift-wrapping.
- **Packaging for sample boxes:** these use a lot of packaging, which is not always effective. There are opportunities for improvement.





## Distribution

Opportunities were identified to reduce product and packaging waste in distribution. These included:

- **Reuse or recycling of damaged or returned stock:** this is already happening in some areas and there are other opportunities (for example, donate returned clothing to charities; provide broken ceramics and glass to artists).
- **Standardise shippers to facilitate reuse:** many incoming shippers are already reused to send mixed loads to individual stores. The design of these shippers could be improved to facilitate reuse, for example, by ensuring that size and quality are appropriate for the secondary use.
- **Delivery of pre-hung clothing:** this should reduce the amount of packaging, however further investigation is required to understand the practicalities, and to minimise negative supply chain impacts.

## Retail

Waste audits were undertaken for three out of four brands: Country Road, Mimco and Trenery. This data will inform waste reduction and recycling initiatives within the retail environment. Ideas that were discussed at the workshop included:

- Recycling EPS: this could be organised by Country Road Group for its own stores, or better still, working with shopping centre managers to develop a convenient recycling service for all tenants.
- Reuse of packaging for visual merchandising materials: boxes and bubble wrap are not reused as much as they could be, and this could be improved by educating visual merchandising teams about the benefits.
- Promotional signage: single-use EPS boards have been replaced by reusable magnetic boards in some stores. This option could be promoted to all visual merchandising teams. Waste would also be avoided by replacing film with digital images.

# Trial packaging assessment

A trial packaging assessment was undertaken at the workshop, using swing tags (Figure 2) as a case study. The purpose of the assessment was to:

- demonstrate the assessment process to staff that had not previously been involved in this process,
- highlight the potential for improvement in any packaging type (even something as simple as a swing tag),
- identify specific opportunities that could be included in a revised action plan.





Figure 2: Some examples of swing tags used by Country Road Group

## Functional requirements

The assessment began with a discussion about the purpose of and need for swing tags. While there may be potential to reduce the number or size of tags for some products it was agreed that they:

- provide essential information including material specifications, price and bar code,
- are important for brand image, for example to represent quality,
- demonstrate that a product is new (i.e. has not been returned by another customer).

A streamlined packaging assessment template was used to guide the process and identify practical opportunities to address environmental impacts. These improvement opportunities are summarised in Table 2.

Table 2: Packaging assessment checklist for swing tags

Design strategy	Comments	Action required
<b>Minimise materials (source reduction)</b>	Swing tags are necessary (and there are likely to be more rather than less over time).  Mimco has already reduced the size of their tags. Country Road tags are limited by the landscape profile of their logo.	Reduce size where possible.
<b>Use recycled materials</b>	Some tags have recycled content.	Investigate opportunities to increase recycled content.





<b>Use renewable or recyclable materials</b>	<p>Paper is renewable and recyclable.</p> <p>Some polymer and metal components could potentially be made from alternative, environmentally- preferable materials.</p>	Investigate alternative options for metallic and polymer components.
<b>Minimise risks of toxic and hazardous materials</b>	This is a minor consideration for swing tags.	Minimum standards to be developed for all Country Road Group suppliers.
<b>Use material from responsible suppliers</b>	Minimum standards for suppliers can be addressed through guidelines and supplier agreements, e.g. for FSC-certified paper.	Investigate opportunities to use certified paper grades.
<b>Design for efficient transport</b>	Not relevant for swing tags.	
<b>Design for reuse</b>	Not relevant for swing tags.	
<b>Design for recovery</b>	<p>Metal eyelets inhibit recycling of paper tags. They are only essential where tags are used for hanging (e.g. socks). A trade-off might be heavier weight paper.</p> <p>Biodegradable plastics are not yet viable (i.e. will not improve recovery) due to a lack of infrastructure for collection and composting.</p>	<p>Explore alternatives to metal eyelets in swing tags.</p> <p>Investigate what happens to swing tags that have to be replaced (e.g. sales or stock returns). Make sure they are recycled.</p>
<b>Design for litter reduction</b>	Not relevant for swing tags.	
<b>Design for consumer accessibility</b>	Not relevant for swing tags.	





# Lessons for other Members

## 1. Take advantage of changes in the business

Changes in corporate structure may provide an opportunity to improve staff engagement and integrate packaging sustainability into business processes. At Country Road Group, the acquisition of Witchery and Mimco and the development of a new corporate sustainability strategy provided the impetus to drive a new action plan. The packaging assessment workshop described here was the first step in a consultation and engagement process on packaging sustainability.

## 2. Share successes across the business

There may be potential to learn from projects that have already been implemented or investigated in another part of the business. The workshop at Country Road Group highlighted a number of packaging improvements that had been implemented for one brand or product line, but not universally applied. The learnings from these projects will inform the development of minimum standards for packaging suppliers on issues such as recyclability and FSC-certified papers.

# Next Steps

The ideas raised at the workshop will be considered for inclusion in the new Country Road Group Sustainability Strategy and action plan. The aim is to ensure that packaging sustainability is understood and implemented across the business, for example by including it in standardised supplier guidelines and agreements.



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