

SUSTAINABILITY

90pc of corporate sustainability targets will not be met by 2025: report

December 19, 2022



Nordstrom is the first major U.S. retailer to offer a recycling program for all brands of hard-to-recycle beauty packaging in partnership with global recycling leader TerraCycle. Image courtesy of Nordstrom

By LUXURY DAILY NEWS SERVICE

A new report places emphasis on emissions reduction as a means of climate preservation, versus many of the luxury industry's most popular methods of action.

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When it comes to sustainability, actions such as carbon offsetting and philanthropic contributions will not measure up, according to most companies' sustainability commitments. Honing in on one sizable pollution driver, fossil-based plastics and single-use packaging could deter the sustainability goals of brands that neglect a switch to smarter options, per trend forecaster WGSN.

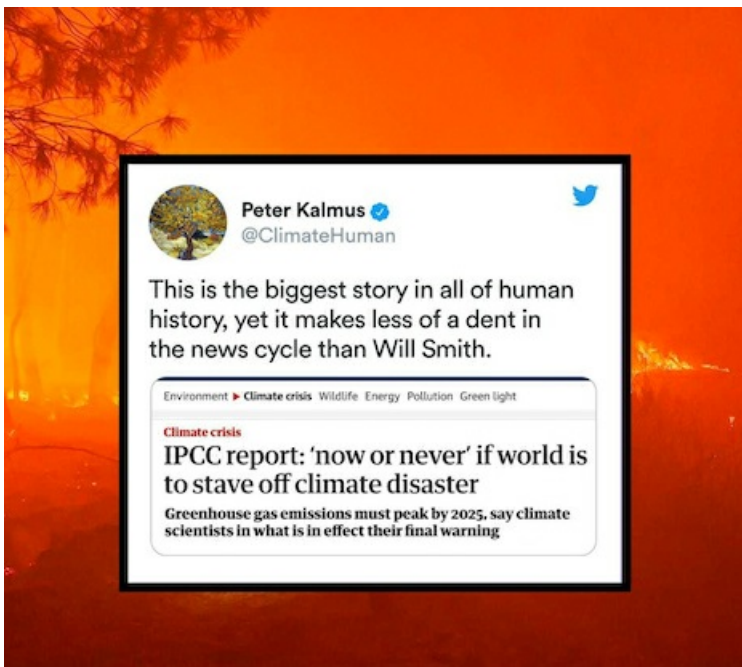
"This report looks ahead to the issues that will be dominating the packaging industry in 2025, and what your brand can do to address them now," said Katie Raath, Senior Trend Forecaster at WGSN, in a statement.

Countdown to 2025

WGSN's new report posits that for the next three years, the industry's efforts would be best served by focusing on the reduction of packaging's environmental impact.

Per the 2016 Paris Agreement on climate change, an accord featuring signatory agreements from nearly all industrialized nations, 196 countries have promised to stop greenhouse gas emissions from rising any further by the year 2025.

Yet and still, WGSN cites consultancy firm Gartner, which recently shared that a whopping 90 percent of companies will fail to meet their 2025 sustainability commitments because of an industry-wide dependence on fossil-based plastics and single-use packaging.



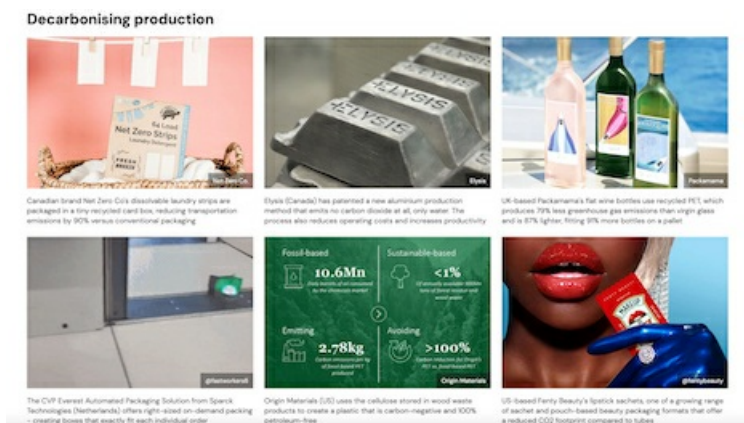
A tweet included as part of the report highlights the severity of the state of climate affairs. Image credit: WGSN

Collective investment in research and development could aid this outlook substantially says WGSN, specifically in the arena of smart packaging.

The trend forecaster shares that new technologies are available to brands, both to anticipate consumer needs at a more heightened rate than ever, before introducing buyers and, in this case, luxury clientele in particular to equivalently convenient, eco-friendly alternatives.

While materials and recycling have comprised some of the most buzzworthy sustainability initiatives to date when it comes to packaging, WGSN points out that materials and recycling only account for around 25 percent of the carbon emissions of packaging.

The industry's most consequential emissions source hails from its production facilities.



The trend forecaster shares that new technologies are available to brands across luxury verticals. Image credit: WGSN

Luckily, the call to decarbonize is being aided by a few power players.

Canadian company Elysis is offering a new era for the aluminum industry, having patented a production process for the material which eliminates all direct CO2 emissions. WGSN shares that by 2024, the technology will be licensable to retrofit existing or new facilities, creating the potential for net-zero aluminum packaging in the market by 2025.

The green process also reduces operating costs, increasing production by 15 percent while increasing the lifecycle of the material at hand.

Other transgressions such as the use of oversized shipping boxes, which create almost 3.5m tonnes of CO2 a year, present urgent danger to the environment, and must be replaced, says the agency.

There are additional opportunities for beauty in particular, according to the firm.

The elimination of pouches, cartons and other packaging formats which have traditionally been more difficult to

recycle are surfacing, requiring 48 percent less plastic to produce and emitting 69 percent less CO2 than conventional options.

"We expect to see widespread adoption of this technology," Ms. Raath said.

Luxury leaps

Many brands have made moves toward sustainability in this arena.

German fashion label Hugo Boss recently is investing more time and resources into regenerative farming as it aims to meet its own environmental and sustainability goals.

The company is looking to reduce the impact of its individual stores, production locations and supply chain. It has gone with an infrastructural approach, aiming to clean up its practices across several touchpoints and investing in its partners ([see story](#)).

WGSN's report suggests that companies must decarbonize production first though, before moving to make packaging part of a zero-waste circular economy through the use of restorative materials options that are actively regenerative for the planet.

"Packaging will also start to better reflect modern society, with a greater emphasis on inclusivity and the benefits it can bring to all," Ms. Raath said.

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