

Environmental Initiatives of Global Apparel Companies

- Comparison between Swedish and Japanese Company -

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1. Background and Objectives

The Apparel industry has a wide range of environmental problems in its supply chain, such as heavy use of water and chemical in cotton farming and dyeing process. Washing and drying clothes also need a lot of water and energy. Although EU and US apparel companies recognize the wide problems and try to approach them, Japanese companies have only waste management of clothes. The objectives are to compare the environmental initiatives of the Swedish apparel company H&M, and the Japanese apparel company Fast Retailing (described as FR below), and to investigate the factors that cause the differences between environmental initiatives by the two companies.

2. Comparison of Environmental Initiatives

This study compares the initiatives of FR in Japan, which has the brand UNIQLO, and H&M in Sweden. Both are the biggest apparel company in their countries. It chose H&M, which seems the pioneer of the environmental initiatives, to make it easier to recognize the shortage of FR. It classifies all the environmental initiatives into five stages, "Raw materials procurement," "Production," "Distribution," "Consumption," and "Disposal," and describes a way of each initiative.

It is found that H&M has the wider range of and more initiatives than FR. Though the initiatives of FR are limited in "Distribution," and "Disposal," those of H&M cover the whole supply chain. In addition, H&M tackles environmental problems through more various ways.

3. Factors influencing Corporate Environmental Initiatives

Earlier researches have shown various factors influencing corporate environmental initiatives. This thesis compares the factors influencing the initiatives of FR and H&M. The result suggests that those factors cause the differences between their initiatives. As an example of those factors, it's proved that the larger a company's environmental impact is, the more environmental disclosure a company tends to disclose so as to reduce its bad impression. As FR and H&M adopt a similar business model, it makes little differences of environmental responsibilities on each organization of their supply chain. However, products of H&M can be consumed earlier than those of FR because H&M's products attach greater importance to supply the latest fashion than to quality. Assumed that an environmental impact caused by one product of H&M is same as that of FR, the whole company's impact of H&M is larger. The difference of the environmental impacts can be a factor.

4. Conclusion

As a result of comparison, it's found that H&M has wider range of and more initiatives, and that a variety of factors cause the differences between initiatives of FR and H&M. FR, which set the goal to make much larger sales in EU and US, will face the increasing environmental impacts and the necessity to meet the eco-clothing demand in EU and US. It is necessary for FR to develop environmental initiatives in other stages in addition to "All-Product Recycling Initiative" in order to continue to increase sales without losing the confidences of foreign stakeholders.