

TAL Apparel: sustainability focus

ANDREW JOBLING, WGSN 10.06.10

TAL Apparel COO Roger Lee tells WGSN how and why the Hong Kong-based clothing manufacturer puts sustainability at the heart of its business.

TAL Apparel COO Roger Lee



TAL Apparel Warehouse

About TAL Apparel

Hong Kong-based TAL Apparel is a major global clothing producer. It places a strong focus on innovation as well as sustainability, and currently makes one out of every six dress shirts sold in the US.

www1.talgroup.com

WGSN Key Themes

- TAL's sustainability focus is internally driven and one of the group's value drivers
- Strong history of sustainability initiatives
- Key focus is driving efficiencies in the supply chain
- Stores can be automatically restocked with supplies tailored to individual requirements
- Inventories can be reduced as in-stock rate increases

Sustainability is very much in vogue among many brands and consumers, but for Hong Kong-based clothing maker TAL Apparel the issue has been a pressing concern for a number of years. And, rather than as a response to external demands, COO Roger Lee says the push is internally driven.

"People are doing sustainability for one of three reasons: they think it will be the fashion, and they don't want to be left behind; as a selling point; or because they are passionate about it," Lee told WGSN. "We fall into the last category."

The company made a pledge in 2009 to reduce its carbon intensity by 15% by 2012, with Lee saying that TAL believed it had a responsibility to "give back to the community".

"This is one of our 10 value drivers for the group - sustainability. Carbon intensity reduction is very important to the group. It has equal priority."

Sustainability actions

So what does TAL Apparel actually do to enhance sustainability? Well, in such a water-intensive business it has its own waste water treatment plant

(which it has had for 12 years), while other initiatives include capturing the fumes from the cooking oil used at its Chinese factories, using waste water from hand-washing to water the gardens and using the heat generated in producing steam to heat water in the factories.



Water re-use facility



Gardens are watered with waste water

It is also looking into the life cycle of a product, citing its wrinkle-resistant shirts as an example.

"They take more energy to make, but in terms of usage we think they use 30% less carbon footprint over their lifetime," Lee said.

But as well as its internal efforts, some of the most impressive of TAL's actions come through its management of the supply chain - where stores can be automatically restocked with direct shipments.

"Traditionally, goods were sent to the warehouse then repicked and resent," said Lee. "There were lots of inefficiencies.

"We read POS data from stores each week. We know what is in the warehouse, we know what is in transit. We can calculate what each individual store will need in 6-8 weeks' time. Based on this we make the garments in specific colours and sizes.

"The customer never places an order. Each store gets boxes with mixtures of colours and sizes, unique to that store. Retailers give over control to us," he said.

Success rate

Not all retailers are happy with that sort of arrangement, however, with Lee admitting that some who had been involved had since taken back control for themselves. Yet he stresses that the system works.

"Each store we've been in we've been able to increase the in-stock rate," he said. "We can reduce inventory but increase in-stock rate. The secret is we have the capabilities in-house - not just looking at numbers but also the human capacity."

Of course, the company is also in business to operate as a profitable enterprise, and Lee says that sustainability moves are not made on a whim.

"If something helps us reduce our carbon footprint and has a long payback, we'll do it," he said. "As long as there is a payback. For example energy saving, or giving back to the environment - but it can't cost more and not have a payback. We're looking for win-win."