

September 2020

CIRCULAIR TEXTIEL SCAN

Kinderkleding in
Flevoland



WHO WE ARE

We work to accelerate the transition to a circular economy. As an impact organisation, we identify opportunities to turn circular economy principles into practical reality.

With nature as our mentor, we combine practical insights with scalable responses to humanity's greatest challenges.

Our vision is economic, social and environmental prosperity, without compromising the future of our planet.

Our mission is to connect and empower a global community in business, cities and governments to create the conditions for systemic transformation.

EXECUTIVE SUMMARY

Coupled with a national ambition to transition to circularity by 2050, the Province of Flevoland has set the goal to become a circular resource provider by 2030. This includes a diversity of material streams, including textiles and apparel. Following the 2019 Innovation Table outcomes, hosted by Natuur en Milieufederatie Flevoland (NMFF), the stream of unsold pre-consumer children's wear has become an area of interest to explore its potential for circularity.

This research aims to shed light on the magnitude of pre-consumer children's clothing stock available in the Province of Flevoland in order to assess whether this stream presents an interesting opportunity for circular innovation. To assess this magnitude, volumes available were estimated through stakeholder interviews and desk study. Further, the ways in which pre-consumer stock is currently handled by brands, retailers and wholesalers is described, and the interest and willingness from industry stakeholders to implement new circular solutions for this material stream is assessed.

Approximately 801 million pieces of clothing are sold each year in the Netherlands. This market represents 6% of the total clothing stores and industry present in the country. In relation to the Netherlands, the Province of Flevoland sees a slightly higher presence of baby and childrenswear stores and industry, at 8%, though still not a major volume. Results from the Province show that while 57% of baby and children's wear stock is sold at full price, 9% remains unsold. A further 33% is sold with discount, which while an industry standard, is a significant source of lost value and indicates a misalignment between supply and demand. 0.05% are product samples and 1% of garments are damaged. Thus, the circular potential for the Province of Flevoland translates into between 193,000 and 217,000

pieces (65-70 tonnes) of pre-consumer baby and children's wear, that is the 9% of unsold stock. It should be noted though that while there is an opportunity for innovation in this waste stream, the volumes are too small to be handled on their own.

This report expects to foster further research to assess the feasibility of a broader textile strategy for the Province of Flevoland, while also laying out initial recommendations for industry and policy. For the industry, a focus on improving accuracy of forecasting methods should be taken. Further, implementing marketing or production strategies that help settle differences between supply and demand may further improve this misalignment. It is also suggested that wholesalers review their terms of engagement with clients to agree on conditions under which stock may be discounted. Businesses should also review strategies set for circularity and how pre-consumer stock is tied into them, while setting overarching circular performance indicators that allow for circular innovation to take place.

Policymakers are encouraged to support the regulation of discount seasons, to collaborate between provinces and act as facilitators between sector stakeholders to set up circular value chains. Lastly, there is an opportunity for the Province in implementing social workplaces for textile remanufacturing or refurbishment, that would enable the setup of rental and/or resale business models.

MANAGEMENTSAMENVATTING

In overeenstemming met de nationale ambitie om in 2050 circulair te zijn, heeft de provincie Flevoland zich tot doel gesteld in 2030 een aanbieder van circulaire grondstoffen te zijn. Dit omvat diverse materiaalstromen, waaronder textiel en kleding. De resultaten van de Innovatietafel in 2019, georganiseerd door de Natuur en Milieufederatie Flevoland (NMFF), gaven aanleiding tot een nadere verkenning van de circulaire potentie van de stroom onverkochte pre-consumenten kinderkleding in de provincie Flevoland.

Dit onderzoek heeft tot doel om de omvang van de voorraad aan pre-consumenten kinderkleding aan te tonen in de provincie Flevoland teneinde vast te stellen of deze stroom interessante mogelijkheden biedt voor circulaire innovatie. Om deze omvang vast te stellen, zijn volumes geraamd op basis van interviews met stakeholders en literatuuronderzoek. Daarnaast is vastgesteld hoe merken, retailers en groothandels op dit moment omgaan met pre-consumenten voorraden. Bij deze stakeholders is de interesse en bereidheid voor de implementatie van nieuwe circulaire oplossingen voor deze materiaalstroom getoetst.

In Nederland worden per jaar ongeveer 801 miljoen kledingstukken verkocht. Deze markt vertegenwoordigt 6% van het totale aantal kledingwinkels en de industrie die aanwezig is in het land. Ten opzichte van Nederland als geheel, heeft de provincie Flevoland een hogere aanwezigheid van baby- en kinderkledingwinkels en industrie van ongeveer 8%, al met al nog altijd geen groot volume. Resultaten van de provincie tonen aan dat 57% van baby- en kinderkleding voor de volledige prijs worden verkocht, 9% blijft onverkocht en 33% wordt met korting verkocht. Hoewel dit in de industrie standaard is, blijft het een aanzienlijke bron van verloren waarde en indiceert het een disbalans tussen vraag

en aanbod. 0,05% van het volume bestaat uit productmonsters, 1% uit beschadigde kleding. Het circulaire potentieel voor de provincie Flevoland aan pre-consumenten baby- en kinderkleding bestaat uit de 9% aan onverkochte voorraad, goed voor 193.000 tot 217.000 kledingstukken (65 - 70 ton). Hierbij moet wel worden opgemerkt dat er weliswaar innovatiemogelijkheden bestaan binnen deze afvalstroom, maar dat de volumes te klein zijn om individueel te worden opgepakt.

Dit rapport onderbouwt de noodzaak voor verder onderzoek naar de haalbaarheid van een bredere textielstrategie voor de provincie Flevoland en biedt initiële aanbevelingen voor industrie en beleidsmakers. Binnen de kledingindustrie moet de focus worden verlegd naar het verbeteren van de nauwkeurigheid van trendvoorspelling methoden. Daarnaast zal de implementatie van marketing- en productie strategieën die het verschil tussen vraag en aanbod verminderen deze disbalans mogelijk verder verbeteren. Er wordt tevens voorgesteld dat groothandels hun overeengekomen afspraken met cliënten herzien om de voorwaarden waaronder voorraad mag worden afgeprijsd aan te passen. Bedrijven zouden daarnaast hun circulaire strategieën moeten herzien op basis van hoe zij met pre-consumenten voorraad omgaan en overkoepelende circulaire prestatie-indicatoren instellen die de circulaire innovatie bevorderen.

Beleidsmakers worden aangemoedigd om de periodes van uitverkoop te reguleren, samen te werken met andere provincies en als faciliteerders op te treden tussen branche-stakeholders om circulaire waardeketens op te bouwen. Tot slot bestaat er een mogelijkheid voor de provincie tot het implementeren van sociale werkplekken voor hergebruik en renovatie van textiel, welke de setup van businessmodellen van verhuur en/of doorverkoop mogelijk zou maken.

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INTRODUCTION

The Netherlands has a national ambition to be circular by 2050. The government wide programme has taken shape through the various transition agendas focussed on 5 sectors. The agenda for consumer goods includes the textiles and apparel sector and sets ambitions in relation to taxing virgin materials, international collaboration and the creation of an Extended Producer Responsibility scheme among others. In line with the national ambitions and strategies, the Province of Flevoland, the 12th and youngest province of the Netherlands, has set the goal to become a circular resource provider by 2030.

Within the Province, the Natuur en Milieufederatie Flevoland (NMFF) hosts Innovation Tables every quarter, aimed at uncovering collaboration opportunities and working towards facilitating them. In 2019, the Table yielded interest in the topic of children's clothing, due to multiple distribution centres (DCs) being located in Lelystad- the second largest city in the province. It was suggested that the stream of pre-consumer children's wear unsold through regular retail channels was partially being sold for rewear in other countries and partially disappearing into an unclear destination.

As a result of this Innovation Table, the Province of Flevoland would like to understand to what extent this stream of clothing, pre-consumer children's wear, is an opportunity for circular innovation. This study has been commissioned to Circle Economy with the purpose of understanding the circular potential of this textile and clothing stream. Does the potential lay, as assumed, in children's clothing, or rather in other pre-consumer clothing?

MAPPING THE CHILDREN CLOTHING STOCK FLOWS IN FLEVOLAND

SCOPE

Children's clothing throughout this research includes baby clothing as well as children's clothing up to the age of about 14 years old.¹ Pre-consumer children's clothing stock is the overarching term throughout the report used to refer to finished textile products that are unfit for sale², which include the following categories:

- **Product samples & salesman samples**
- **Product returns**
- **Damaged products**
- **Unsold or inactive products after full price and discounted sales**

RESEARCH METHODOLOGY

To assess the magnitude and current handling of pre-consumer clothing in the Province of Flevoland, desk study was coupled with interviews with relevant stakeholders, including fashion retailers and wholesalers that either operate or sell clothing in the Province of Flevoland.

Insights on volumes of clothing and pre-consumer stock available in the Netherlands and in Flevoland were calculated based on market and population data from public databases, as well as input from the interviewed stakeholders. While the initial research design included a manual sort procedure that allowed detailed physical analysis of the pre-consumer stream of children's clothing, the national health restrictions in the midst of the covid-19 outbreak have prevented this manual sort from taking place.

Further, the numerous stressors of this pandemic meant that brands were less willing to take part in our research due to other priorities.

15 organisations were contacted to participate in the research. Six organisations were interviewed, while the remaining nine were unavailable to share data on this stream, either because they don't collect it or because it represents sensitive information. This was further complemented with additional data from an anonymised dataset from previous research on the topic, which included data on pre-consumer stock of five additional organisations selling children's clothing in Flevoland.

Next to the available stock volumes, the research dives into the ways in which pre-consumer stock is currently handled by brands, retailers and wholesalers. It also assesses the feasibility and interest from stakeholders to implement new circular solutions for this material stream.



THE CLOTHING MARKET LANDSCAPE

CLOTHING IN THE NETHERLANDS

According to Euromonitor, the Dutch apparel market consumed approximately 330 million pieces of clothing in 2015.³ Coupled with footwear this number added up to ~450 million pieces, giving an estimate of 26 pieces of clothing and footwear per person each year.⁴

When compared to clothing disposed of by Dutch residents, 17.7 kg/year per capita in 2018, a weight that could indicate around 53 pieces per person,⁵ the estimations by Euromonitor for consumption seem quite low. The Dutch Clothing Mountain research conducted in 2017 in the Netherlands, points out to an average of 46 clothing and footwear items bought per person per year and reflects on Euromonitor's numbers lacking consideration of informal retail such as street markets. Adjusting this to the current number of inhabitants reflects volumes of approximately 801 million pieces of clothing sold each year in the Netherlands.⁶

When looking specifically into the children and babies clothing market, its revenue represents an estimate of 11.3% of the apparel market revenue in the Netherlands, whilst physical clothing stores and industry for children and babies wear represent 6% of total clothing stores and industry stakeholders present in the country. Further, residents in the Netherlands usually dedicate around 5% of their household spending to clothing and shoes. From this amount, 13% is dedicated specifically to children and babies,⁷ very much in line with its share of the market revenue.

If we take the market revenue and the household spending share for children and babies clothing as an indication of the market size for this specific market segment, we may be looking at an informed estimate of 91 - 102 million pieces of clothing and footwear sold each year for children and babies in the Netherlands.

1035 STORES

1035 stores are selling children and babies clothing out of **44,900 stores** in the Netherlands.

91 TO 102 MILLION PIECES

91 to 102 million pieces of children and babies clothing and footwear sold each year from **801 million** clothing pieces sold in the Netherlands

CHILDREN AND BABIES' CLOTHING IN FLEVOLAND

While very much in line with the average presence of this market segment in the Netherlands, in the province of Flevoland there appears to be a slightly higher presence of baby and childrenswear stores and industry, 8% vs 6% of the total.⁸ There are 25 stores selling baby and children's clothing and items, which include for example Amazing Kids, Toffe Tantes and Annabel Urk and outlet locations such as Bataviastad. Further, 10 apparel manufacturers from 65 present in the Province are categorised as baby and sportswear manufacturers. These include brands and brand groups such as Nine&Co, Nikkie Fashion and Retour Jeans.

Additionally, 105 wholesalers of clothing and shoes are part of the Flevoland landscape. While there is no specific categorisation for childrenswear within this section of the CBS database, examples include Nine&Co. Finally, 400 webshops sell clothing in Flevoland. Although there is not any specific categorisation for childrenswear either, there are several webshops that focus specifically in children's clothing such as HD Kinderkleding. Besides retail and wholesale there are distribution centres, DCs, in the province of both national and international large brand groups such as Nine&Co. and Inditex.

25 STORES

25 stores are selling children and babies clothing from **295 clothing stores** in Flevoland

8%

8% of the total clothing industry and stores in Flevoland is children and babies clothing and footwear

PRE-CONSUMER CHILDREN CLOTHING STOCK

MAPPING THE CHILDREN CLOTHING STOCK FLOWS IN FLEVOLAND

VOLUMES IN FLEVOLAND

Pre-consumer clothing stock can be composed of wearable or usable products that have been finished but are unfit for sale. This includes clothing prototypes, salesman samples, returned products, damaged pieces of clothing as well as unsold products. Some of this stock already has a future destination and it is being sold to discount retailers, outlet stores, charities

or commercial collectors, international second-hand trade marketeers, or being used as feedstock for downcycling. The remaining volume after these destinations is considered textile waste and may be incinerated together with general waste streams.

In order to determine the volumes available in the Province of Flevoland, primary data collected from 11 organisations was analysed. The average percentages and quantities are presented below in bold and are later compared with other research and literature to assess the relevance and dimension of this stream in the Province.



Figure 1: Overview of types of pre-consumer stock in children and babies clothing in Flevoland.⁹

UNSOLD PRODUCTS

9% of the total children and baby clothing sold each year is not sold through retailers or wholesalers' regular channels. From previous estimations on market size, this would mean there could be approximately 193,000 to 217,000 pieces, accounting for 65-70 tonnes, unsold in the province that could present opportunities for circular innovation. However there are significant differences between companies, with a minimum pointing at 1% and a maximum reaching about 16%.

In comparison with previous research in the Netherlands, in 2016 the unsold stock on the Dutch apparel market places this figure at 6.5%.¹⁰ Nonetheless, both of these percentages are in line with other research from the European landscape, as Niinimäki in 2011 estimates unsold inventory between 5 and 10% for Western Europe countries.¹¹ When looking at research and publications on the global apparel market, the numbers reach significantly higher ranges, between 15-20% of total sold.^{12,13}

DAMAGED PRODUCTS

Companies mention that damaged products usually take up to 3% of the total sold, while the most common response from interviewees is that the rate is closer to 1%. The most common damages found in returned items is usually broken zippers and stains. These garments usually cannot be resold in their current form and either have to be sold with significant discounts in the second-hand market, or have to undergo repair, remanufacturing, or recycling interventions.

PRODUCT SAMPLES

It is estimated that merely 0.05% of total sales of children and baby clothing in Flevoland is made up of product samples. These samples may take the shape of garment prototypes and salesman samples, developed by brands and manufacturers each season to test and sell their products.

Usually samples get sold at the end of the season or year internally within companies through sales to employees. Further, not all product samples relevant to products sold in Flevoland remain within the Province, as retailers may be selling products in Flevoland but the headquarters of brands, wholesalers and manufacturers may be located elsewhere. This is not deemed as a relevant stream to continue focusing on.

RETURNED PRODUCTS

In Flevoland, the average of returned children and babies' clothing from customers through physical stores is close to 3%. However, it was identified that this percentage is much higher for returns through online channels, sitting closer to 16.5%. Some wholesalers also remain partially responsible for the stock they sell to their retail partners, and in those cases, retailers have the opportunity to give back or exchange stock with the wholesaler. This return rate is averaged at 4%. These products may or may not be resold at full or discounted prices, depending on the reason for return, for example, a wrong fit may be returned to the shop floor whilst a clothing with a broken zipper may not. Brands tend to have their own quality control categorisation for returned products to enable faster and more profitable handling of these items. Often there are three categories, and the best of these three may be returned to the shop floor without any intervention needed.

Previous research on the Netherlands points towards a return average rate of 5% including all returns from retailers, wholesalers and brands to manufacturers.¹⁴ One of the reasons that Wijnia (2016) gives for this number being significantly lower than in our study for the online channel, is the limited number of participants in the research representing online retailers, that are said to have higher numbers of unsold stock, in comparison to brick-and-mortar stores.

DISCOUNTED STOCK

On average 33% of the total children and babies' clothing sold in Flevoland is sold with a discount. This aligns with global research where it is often claimed that 30-50% of the total sales are sold at discounted prices.^{15,16,17,18,19} Within the Dutch landscape, two research pieces indicate 44.6%²⁰ and 50%²¹ is sold with discounts. of total apparel sold. The discounted percentages in Flevoland seem to be slightly lower than in other Dutch research. This may be due to the fact that in children and babies' clothing, Never Out of Stock (NOS) collections are quite common in comparison with Fashion collections which are more common in womenswear.

Nevertheless, acknowledging the volumes of stock sold at discounted prices remains relevant, as this may ultimately have an impact on the levels of unsold stock. Large percentages of discounted stock imply misalignment between supply and demand, and usually may be used as a strategy to get rid of unsold stock.²² Hence reducing discounted stock through improved forecasting or other changes in manufacturing methods could also lead to a reduction in unsold inventory.

CURRENT HANDLING OF THE STOCK

Throughout the interviews comprising small boutique stores as well as multinational brands, it is apparent that most, if not all, have existing solutions in place for handling the pre-consumer stream. These solutions range from internal sample sales, where proceeds go to charity, to the traditional outlet model. Each organisation interviewed implements variations of these solutions, however there is a notable difference in the handling of this stock depending on the organisation's size and structure. Nevertheless, organisations are all implementing a combination of solutions, most commonly three of the following ways of handling pre-consumer stock:

OUTLETS AND END-OF-RANGE RETAILERS

60% of the organisations describe that the first solution they implement is reselling the clothing locally at highly discounted prices. These pieces of clothing have usually undergone a discount within the first retail store and are discounted once again for resale to end-of-range. This means that the discounted prices usually represent >50% less than the original retail price.

Bataviastad in Lelystad is a notable example of this solution. In this case more than 130 retailers syphon their unsold collections, and in some cases entirely new outlet collections (collections of clothing designed specifically for outlet channels) to the outlet hub. Other channels for outlet sales are online e-commerce platforms such as Vente Privee, Limango or Pinc Sale.

MARKET TRADERS

Usually referred to as 'jobbers' or 'third party salesmen' many brands and wholesalers (60%) find a destination for unsold clothing stock after outlet sales through these intermediaries, who resell the

clothing in the global second-hand market, mostly as rewearable clothing. Although this is a solution that many organisations in the Netherlands make use of, there is a question to the visibility that it allows on the final destination and application of this clothing, as further information on the actual uses and applications of these clothing cannot be tracked, not enabling visibility over the quantities that indeed get landfilled or incinerated.²³

CHARITABLE OR COMMERCIAL COLLECTORS

Half of the organisations report that clothing is either donated or resold locally to charitable or commercial textile collectors, which have their own end-of-use value chain in place. For example, Prenatal works with Foundation BabySpullen donating unsold stock or sample clothing for baby boxes for underprivileged families.²⁴ This clothing will hence go into a sortation process, and end up in either local or global resale, recycling and ultimately incineration or landfill. In this case, the most probable destination for the clothing through this stream is to be exported to Eastern European or African markets, as 84% of separately collected textiles in the Netherlands was sold outside the country. It is expected that from the exported clothing 43% will be reused, 32% recycled, 4% will end up in landfill or incineration, and the remaining 4% will not correspond to clothing and be composed of shoes or accessories.²⁵ None of the interviewed brands stated that they work with Leger des Heils, as posited by the Province of Flevoland.

RECYCLERS

Clothing made of certain materials is more prone to have higher market values for repurposing or recycling. For example, cotton clothing is commonly chopped into industrial wipers, while both polyester and cotton may both be used for fiberising into lower value applications such as insulation

or filling. Through our study, only one retailer, who has been notably innovating on sustainable solutions, was actively working with a recycler in the Netherlands until this year, fiberizing a small percentage of their unsold stock. Nevertheless, clothing being passed on to collectors or traders may also end up being recycled into lower value applications if it is deemed non-rewearable. Lower value applications are considered those in which the recycled material resulting from the recycled clothing is of lower value or quality, for example due to fibre shortening, than the original product.²⁶ It is also then not possible to achieve a higher value application after its recycling into a lower value one.

HOLD-IN INVENTORY

Several brands (40%) report that for part of their stock, the most simple solution is to keep it in their DCs for the next season, as it needs no further processing other than relabelling. In the long-run, and enhanced by the increased unsold stock during the covid-19 crisis, this creates storage constraints or increased logistics costs.

INCINERATION

None of the interviewed brands knowingly sends any pre-consumer stock for incineration. Incineration is however a part of the supply chain once clothing is collected by a collector, and it is deemed of too low quality to rewear or recycle. On average in the Netherlands this is 14% of the total weight of separately collected textiles, and comprises both residual textiles and other residues such as plastic, cardboard, organic waste that are disposed of together with the textiles.²⁷

As an example, on the following page is a comparison of the end-of-use setups for the pre-consumer stock of three of the organisations interviewed.

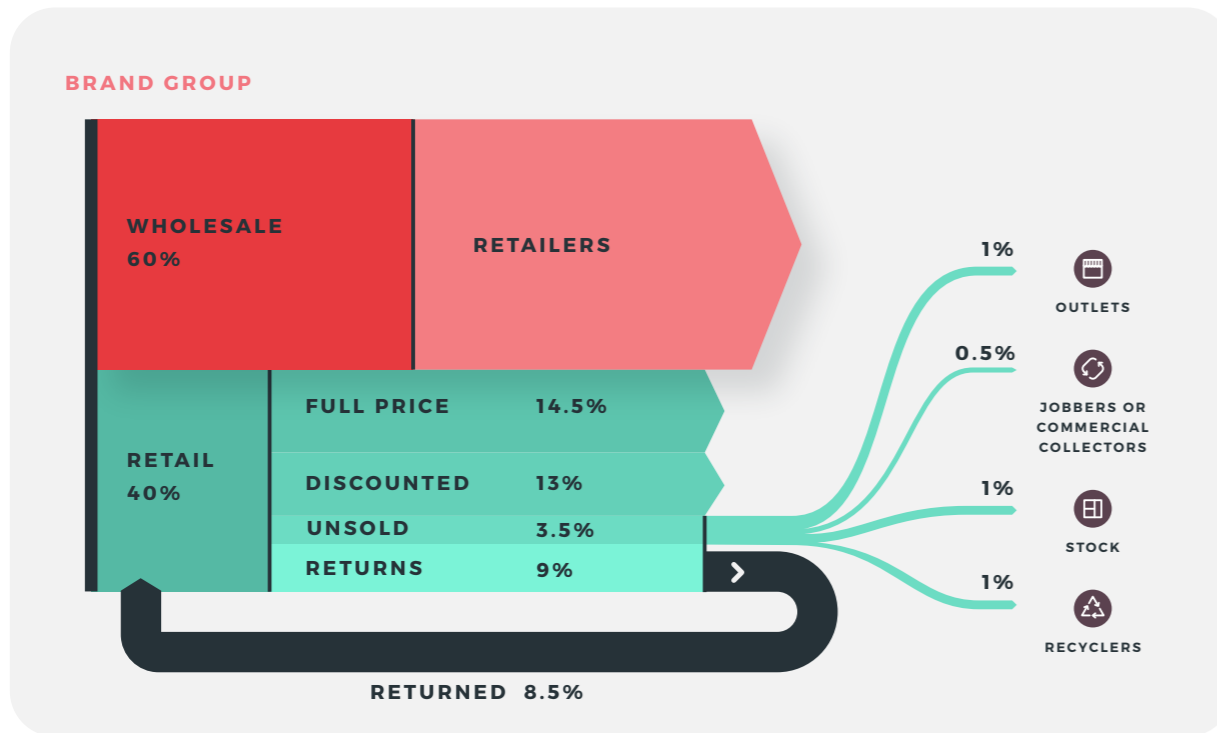


Figure 2. Multinational brand group offering wholesale and retail for the premium market segment of children and adult wear, through online, physical and outlet stores.

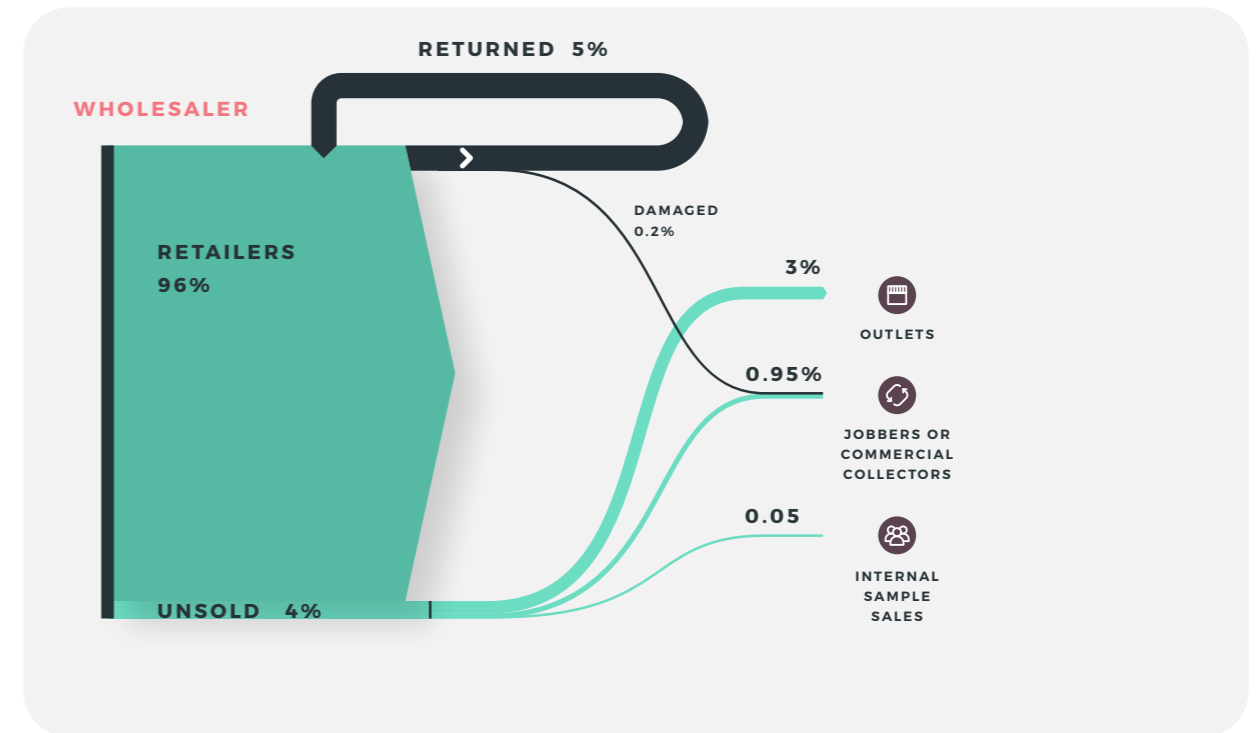


Figure 4. Medium-sized wholesaler catering for both online and physical retailers for the children's mid-market segment.

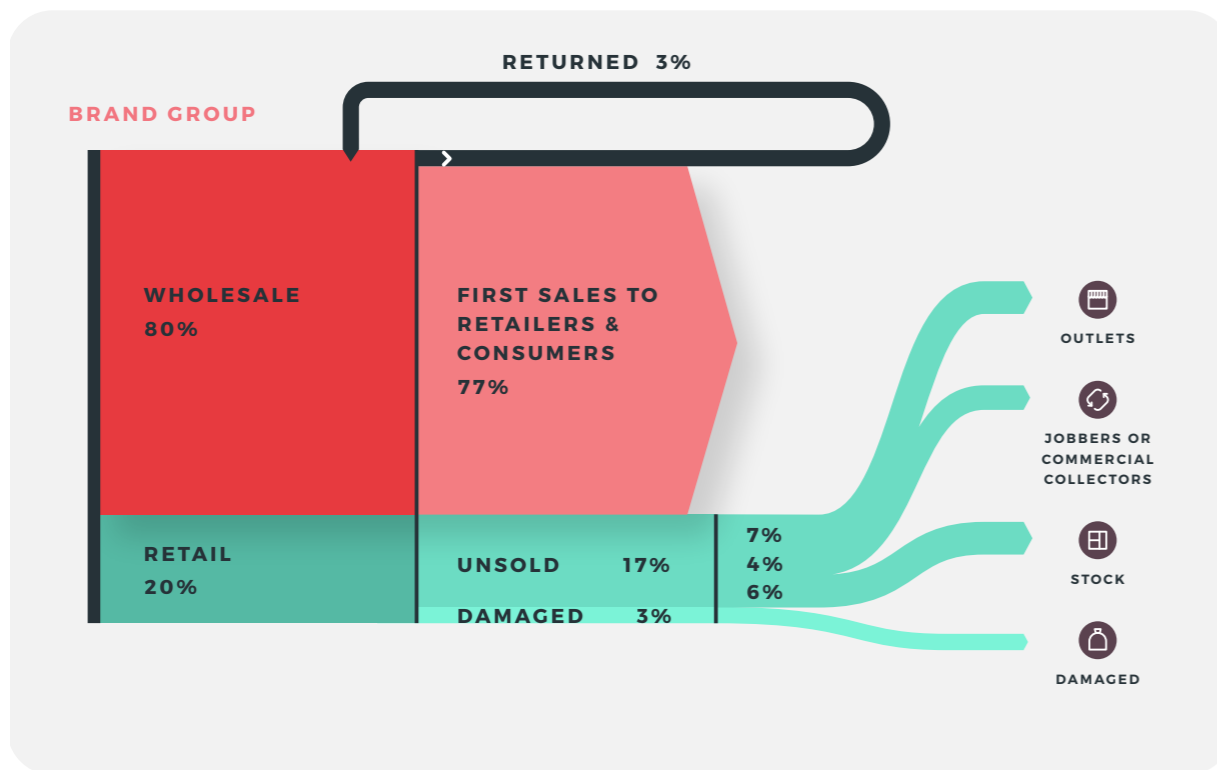


Figure 3. Large brand group offering wholesale and retail for the premium market segment of baby, children and maternity wear, predominantly through physical stores.

CONSIDERATIONS ON POSSIBILITIES AND RESPONSIBILITIES TO HANDLE STOCK

Retailers and wholesalers handle their pre-consumer stock in different ways. Once wholesale garments are sold to retail, the wholesaler hands over responsibility of the garments to the retailer, and is no longer responsible for the handling of that stock should it not be sold. There are few exceptions to this, whereby it is in the wholesaler's best interest to maintain close contact with its customers; and in instances where a batch of a collection ordered does not sell, the retailer may in some instances choose to exchange the unsuccessful batch for another batch.

Retailers tend to collect and track the amount of returned inventory they receive, and often develop solutions for this, eg. internal sample sales. There are also exceptions to this, one interviewed company functioning as a retailer licenced only its children's wear to a third party producer. In this case the retailer has ownership of its garments for men and women's collections, but not for childrens wear.

The difference in online and offline sales channels also fosters difference in stock volumes. Brands that function primarily online see a much higher return rate (16.5%), then brands that have brick and mortar stores (3%). This difference has an effect in the focus that is placed -or not, in handling consumer returns and finding viable solutions for this stream. When the shares of returned products are significantly low, it is not a priority for organisations to focus on.

ENHANCING CIRCULAR OPPORTUNITIES FOR PRE-CONSUMER STOCK

As part of accelerating the circular economy, extending the active use of products remains the preferred strategy. Pre-consumer clothing is not only a preferred recycling input due to its known content, and clean state but also presents a good opportunity for rental or resale, provided that there are no IP issues.

Of the brands interviewed, five indicated that they were interested in piloting circular solutions, and of those five, all are in varying phases of piloting alternative solutions to various waste streams. Ongoing solutions that are being tested such as the HEMA 'Baby box'²⁸ include piloting a subscription service, allowing parents to subscribe to preselected baby items such as nappies that are delivered every 5, 6, or 7 weeks. Another retail group is looking into the possibility of a resale model for maternity wear, after learning that a rental model for their price point was not economically feasible. Incorporating recycled materials into their collections is the most trialled and implemented solution - by brands, with at least 5 of the brands interviewed incorporating recycled materials into their collections. One of these brands attempted closing the loop by recycling their own denim, however this pilot did not attain scale.

RENTAL AND RESALE

Over the past 2 years, there has been a sharp increase in the number of brands, platforms and organisations piloting or offering solutions for circular business models.²⁹ Some notable examples in the Netherlands include Circos,³⁰ a rental subscription service for baby and maternity clothing, and Baby Exchangerie,³¹ a rental service for baby layette (babyuitzet) products including furniture and strollers. There are also a number of peer-to-peer baby clothing swapping platforms,

organised both formally like Krijg de Kleertjes³² or informally and incidentally on Facebook. The Netherlands is also home to a few brick and mortar clothing rental libraries, namely LENA clothing library in Amsterdam,³³ Bij Priester Clothing Library in The Hague³⁴ and Outfit Library Less in Arnhem,³⁵ however these are all focussed on adult clothing. Rental platforms whether online or brick and mortar often approach brands in the hopes of trading their pre-consumer stock for data on the usage of that stock should it be rented through the platform.

REPAIR AND REMANUFACTURING

Repair and remanufacturing business models have also seen an increase in the past years.³⁶ Notable examples of these include The Renewal Workshop in Amsterdam - a workshop which sorts, repairs and processes pre and post consumer garments (adult clothing) for resale at their partner brands.³⁷ Of the interviewed brands, one organisation cited the high cost of refurbishment of damaged or stained stock as being a barrier in implementing a circular business model. Another inspiring example is the Friesland circular boulevard, a large scale second hand store that focuses on the repair, refurbishment and redesign of discarded and donated clothing, furniture and household items while training and offering work opportunities to individuals with distance to the labour market.³⁸

RECYCLING

As a last strategy to achieving circularity the Netherlands has been firmly innovating on various recycling methods across various materials and yielding varying qualities. Pre-consumer stock presents an attractive high value recycling input as the composition is often known, and the clothing is unsoiled.

The Saxion Hogeschool in Enschede has developed a chemical recycling process for post-consumer cotton producing a cellulose and is currently working together with MUD Jeans in Laren to develop a 100% post-consumer recycled denim yarn.³⁹ While EigenDraads in Rotterdam, has recently partnered with the local municipality and Ambercycle, an American chemical recycler, in the high value recycling of post-consumer clothing waste often left after the cities well attended marathons.⁴⁰ I-did, a hybrid between a social workplace and a recycler based in Utrecht develops felt composite used in interior and swag applications.⁴¹

These initiatives often work closely with local collectors and sorters while outsourcing the recycling (except in the case of Saxion). An in depth knowledge of materials is required in order to process the pre or post consumer input successfully.

CASES IN FLEVOLAND

A scan of the province shows 14 second hand shops, a few of which are part of not-for-profit thrift store groups Rataplan and De Kringloper. Others are listed as private thrift stores, such as, 'Ivo's Thrift Store' or 'Kringloop Stedendreef'. These groups are both social workplaces focussing on sustainability. In some cases, thrift stores such as these are ideal customers for non IP sensitive pre-consumer stock. An example of this can be seen in a collaboration between charity Oxfam Ireland and German retailer Six whereby Oxfam Ireland processes and sells previously unsold accessories from Six under the 'Six4Good' name.⁴² Additional stores to the ones mapped may exist, however, are not formally categorised as a 'kringloopbedrijven'.

There is one online peer-to-peer resale platform; Beebie & Kids⁴³ located in Almere, offering both pre-used clothing and accessories for babies and children up until size 140. Additionally there is a peer-to-peer swapping initiative, largely functioning through Facebook, called 'De Kledingruil'⁴⁴ Almere. De Kledingruil specialises in womens wear and hosts pop-up swap events in the area, where women can swap out their previously worn clothing with one another.

RECOMMENDATIONS

RECOMMENDATIONS FOR THE INDUSTRY

Throughout this research, it has become evident that while a handful of wholesalers and retailers are working towards circular solutions, a scaled, collective industry move towards circularity is still lacking. Wholesalers produce clothing for B2B customers and retailers. Once the clothing is sold to their customers, the wholesalers relinquish their responsibility over the stock. This leaves retailers and other B2B customers to potentially price the stock as they see fit, at times creating an unequal pricing landscape across the wholesalers' various customers. Wholesalers can leverage their relationships with retailers, while retailers need to leverage their close contact with the end consumer in establishing feasible pre-consumer solutions.

FOR WHOLESALERS

Wholesale terms of engagement

Wholesalers who nurture a relationship with their customers are able to establish a terms of engagement delineating the conditions in which the stock may be placed on sale. In the sample group, a wholesaler prohibits the discounted sale of their stock within a 90 day period. This verbal agreement has had a positive effect on the relationship between the wholesaler and their customers, and has protected the pricing of the stock.

Wholesale forecasting, innovative marketing and an exchange mentality

Manufacturing a collection built on accurate trend forecasting and small production quantities allows for successful sale at full price. This requires a strong connection with the end market and innovative marketing on relevant social media channels.

For wholesalers producing larger volumes it might be more difficult to avoid discounting large percentages of their stock. Enabling exchanges between customers and wholesalers, of underperforming batches, allows for optimal movement of all stock, and for the wholesaler to maintain an overview of best performing styles. Wholesalers with integrated marketing services are able to market the underperforming garments through smart merchandising and influencer marketing. This exchange option further increases the amount of clothing sold at full price, thereby decreasing pre-consumer stock.

FOR RETAILERS

Holistic vs. specific pre-consumer strategy

Over half of the organisations assessed in this research (54%), also have pre-consumer stock from their adult clothing collection, which therefore warrant a holistic approach to developing a pre-consumer solution. Children's and particularly baby's clothing does lend itself to rental or resale business models due to the often high quality of the clothing, and the limited amount of time the clothing fits a growing baby or child. Some barriers to the successful implementation of rental or resale business models is the reluctance of some first time parents to use second hand garments for their baby. Maternity wear is another good example of clothing which lends itself to extended use through either a rental or a resale business model. Retailers need to make an informed decision as to whether to trial circular innovation on a specific product category or to take a wider approach.

Setting Circular KPIs

A brand's ability to engage in circular solutions for pre-consumer stock whether recycling driven or business model driven rests on the brand's ambition as well as the budget available. In some cases we see that marketing budgets are reallocated towards circular projects, as the sustainability team often has little budget to allocate. However this is only possible when the brands have pre existing circular goals. Setting Key Performance Indicators, KPIs, and success indicators towards circularity, will not only set the wheels in motion to achieve them, but also prevent obstacles such as budget availability from hindering implementation.

RECOMMENDATIONS FOR POLICYMAKERS

The outcomes of the research indicate that pre-consumer children's wear in Flevoland is a relatively minor stream, 8% of the total clothing industry and retail in the province. This, together with the understanding that only part of the supply chain is vested in the Province leans the recommendations towards a few specific strategies.

REGULATE DISCOUNT SEASONS

Many brands and retailers have come to rely on the sales periods as essential vehicles for selling leftover stock. As a result of this, many consumers have become accustomed to perpetual sales and will only buy discounted clothing. This squeezes margins and perpetuates the supply, not demand, driven mentality that gives fashion its bad reputation. The imposed seasonality of retail further drives certain items of clothing to be discounted the moment they are delivered in-store while never having been retailed at full price.

Additionally, some larger brands have separate outlet locations (whether own brand, or multi brand), through which they syphon unsold stock from their regular retail channels. Moreover, certain brands also produce collections specifically for their outlet channels, sold at first instance at a lower price point than garments first entering the retail floor.

The Province could pioneer a regulation on the time period in which retailers are allowed to offer discounts, similar to what Belgium⁴⁵ and other 12 EU Member States do.⁴⁶ This would require regional and national alignment and collaboration, but would help in curtailing the excessive amounts of general stock produced and stored by some retailers, and the perpetual 'sale' status of many shop fronts. This strategy might reduce stock in the long term, however in the short term might lead to larger volumes in stock considering that sale channels would be limited.

COLLABORATE WITH THE SECTOR

Brands are interested in resale, rental and recycling. During the interviews one brand stated that the lack of governmental investment in incentivising these innovations was a barrier for them to apply the circular business models. For example the cost of processing and recycling post-consumer textiles into thread for clothing is carried exclusively by the brand and hence the consumer. Therefore, it is highlighted that the lack of governmental investment in recycling infrastructure does not incentivize further organisations to close the loop. For example, sorting post-consumer garments requires a significant amount of physical handling time, it was suggested that the cost of labour in this process could be subsidised by the government. Alleviating some of the costs associated with high value recycling would enable private sector organisations to

implement circular economy solutions until barriers for implementation are addressed successfully and a business case for them is clear and economically feasible.

Another possible policy intervention relates to the creation of a 'hergebruik tarief' in order to stimulate the cycling of products among users of rental business models. This issue was brought forward by expert interviewee, Puck Middelkoop, co-founder of Hulaloop and Baby Exchangerie (BE), both online platforms that rent baby clothing and babyuitzet respectively.

With every customer that rents an item from the BE website, BE is required to pay 21% tax for every product, and for every month that it is in use. This means that the same item is taxed multiple times, for every user on a monthly basis.

Lastly, there is an opportunity for the Province to take a facilitating role in bringing various clothing brands that are active in this space together in order to collectively look towards solutions and consider (co) financing them. One such brand is baby and childrens wear clothing group Nine & Co, who participated in this research and are headquartered in Lelystad. The group holds 4 brands: Noppies, Esprit for Mums, Supermom and Alvi, that together specialise in maternity, baby and childrens clothing up until the age of 6. Nine & Co are interested in exploring circular business models, namely rental, for which their product categories are particularly well suited towards. The Province could use the upcoming Innovation Table organised by the NMFF to establish further willingness and alignment of fashion brands throughout the province.

DEVELOP SOCIAL WORKPLACES FOCUSED ON TEXTILES

The circular economy presents interesting opportunities in the creation of jobs and nurturing of skills. Considering the interest that brands have in developing a rental and/or resale model, a remanufacturer in the form of a 'sociale werkplaats' is highly interesting and might offer an attractive local solution to the brands located in the Province.

COLLABORATE WITH OTHER PROVINCES

The Province of Flevoland is the first Dutch Province to have conducted such a textiles scan. With this knowledge, the Province is equipped to make informed decisions relating to the implementation of its circular strategy. Encouraging other provinces to acquire the same knowledge of their resident fashion supply chains could lead to a streamlined approach, where neighbouring provinces are able to support the implementation of one another's circular strategies. For example, if the Province of Flevoland were to become a repair and remanufacturing hotspot for clothing, this could serve the goals of brands in neighbouring provinces.



AANBEVELINGEN

AANBEVELINGEN VOOR DE INDUSTRIE

Dit onderzoek toont aan dat zowel kleding groothandels als retailers toewerken naar circulaire oplossingen, er is echter geen sprake van een collectieve transitie naar circulariteit op schaal. Groothandels produceren kleding voor B2B klanten en de detailhandel. Na verkoop van de kleding aan hun klanten, ontslaan groothandels zich van hun verantwoordelijkheid over de producten. Detailhandels en andere B2B klanten kunnen de voorraad vervolgens naar eigen inzicht beprijzen, waardoor uiteindelijke verkoopprijzen bij de verschillende klanten van de groothandel aanzienlijk kunnen verschillen. Groothandels kunnen hun relatie met de detailhandel beter benutten, terwijl de detailhandel genoodzaakt is hun nauwe contact met de eindconsument te benutten om tot haalbare pre-consumenten oplossingen te komen.

VOOR GROOTHANDELS

Voorwaarden optimaal benutten

Groothandels die goede relaties onderhouden met hun klanten zijn in staat om voorwaarden te stellen waaronder producten in de uitverkoop mogen. Één van de groothandels die deelnam aan dit onderzoek gaf aan de verkoop van hun producten tegen gereduceerde tarieven binnen een periode van 90 dagen te verbieden. Deze mondelinge overeenkomst had niet alleen een positief effect op de relatie tussen de groothandel in kwestie en diens klanten, tevens kon hiermee de beprijzing van de producten worden beschermd.

Trendvoorspelling, innovatieve marketing en een uitwisselings mentaliteit

Accurate trendvoorspelling alvorens een collectie in productie gaat en de productie van kleine hoeveelheden verhogen de kans op de succesvolle verkoop van collecties tegen de volle prijs. Een verbinding met de eigen markt alsmede innovatieve marketing op relevante social media zijn hierbij van groot belang. Voor groothandels die grote volumes produceren kan het moeilijker zijn om te voorkomen dat een aanzienlijk van hun voorraad tegen gereduceerde prijzen wordt verkocht. Uitwisseling tussen groothandels en hun klanten van onderpresterende partijen zorgen voor een optimale verplaatsing van voorraad en stellen de groothandel in staat om zicht te houden op de best presterende collecties. Groothandels met geïntegreerde marketing afdelingen zijn vervolgens in staat om onderpresterende kleding middels slimme merchandising en marketing met influencers alsnog te verkopen. Dergelijke uitwisseling van onderpresterende partijen tussen retail en groothandel kan het aandeel van de kleding die tegen volle prijs wordt verkocht vergroten, waarmee de opbouw van een grote pre-consument voorraad tegengegaan kan worden.

VOOR RETAILERS

Prestatie indicatoren voor circulariteit

Het vermogen van een kledingmerk om circulaire oplossingen zoals recycling en circulaire business modellen toe te passen op hun pre-consumenten kleding is afhankelijk van de ambitie van het merk alsmede het beschikbare budget. In sommige gevallen zien we dat marketing budgetten overgeheveld worden naar circulaire projecten, aangezien duurzaamheid teams vaak de beschikking hebben over beperkte budgetten. Dit is echter enkel mogelijk indien kledingmerken

al circulaire doelstellingen nastreven. Het instellen van prestatie indicatoren, KPI's, en succesindicatoren op weg naar circulariteit zet niet alleen de beweging in gang om de doelstellingen te realiseren, ze kunnen tevens voorkomen dat obstakels zoals beperkte beschikbaarheid van budget optreden.

AANBEVELINGEN VOOR BELEIDSMAKERS

Dit onderzoek toont aan dat pre-consumenten kinderkleding in Flevoland een relatief kleine stroom (8%) van de totale kleding industrie en retail in de provincie vertegenwoordigt. Dit feit, tezamen met de wetenschap dat enkel een deel van de toeleveringsketen in de Provincie is gevestigd, leidt tot de aanbeveling van enkele specifieke strategieën.

REGULEER DE PERIODES VAN UITVERKOOP

Veel merken en retailers zijn afhankelijk van de uitverkoop om hun boventallige voorraad te verkopen. Als gevolg zijn veel consumenten gewend geraakt aan de eeuwigdurende uitverkoop en kopen ze enkel afgeprijsde kleding. Hiermee komen de winstmarges verder onder druk en wordt de aanbod-gedreven in plaats van een vraaggestuurde mentaliteit bestendig die de fashion industrie haar slechte reputatie bezorgt. De opgelegde seizoensgebondenheid van retail draagt er verder toe bij dat bepaalde kleding items worden afgeprijsd zodra ze in de winkel aankomen, zonder ooit voor de volle prijs te koop aangeboden te zijn geweest.

Bovendien hebben sommige merken de beschikking over outlet locaties (van de eigen brand of multi-brand) waarlangs ze onverkochte voorraad van hun gebruikelijke verkooppunten kanaliseren. Daarnaast

produceren enkele merken collecties specifiek voor hun outlet kanalen, deze worden van meet af aan voor een lagere prijs aangeboden dan de kledingstukken in hun reguliere retail locaties.

De Provincie zou kunnen pionieren met het reguleren van de periode waarin retailers hun producten tegen gereduceerde tarieven mogen aanbieden. Dergelijke beleidsinterventies worden reeds toegepast in België⁴⁵ en 12 andere Europese lidstaten.⁴⁶ Dit vereist regionale en nationale afstemming en samenwerking maar zou de excessieve hoeveelheden die worden geproduceerd en opgeslagen door sommige retailers kunnen inperken. Daarnaast kan hiermee een einde worden gemaakt aan de eeuwigdurende 'uitverkoop' status van veel winkelgevels. Deze strategie zou kunnen leiden tot een vermindering van de voorraden op de lange termijn. Op de korte termijn zou het echter kunnen leiden tot grote volumes in de voorraden gezien de beperking van de verkoopmogelijkheden.

WERK SAMEN MET DE SECTOR

Kledingmerken zijn geïnteresseerd in de mogelijkheden voor de wederverkoop, verhuur en recycling van kleding. In de interviews gaf één merk aan het gebrek aan investeringen van de overheid om dergelijke innovaties aan te moedigen als een belemmering te ervaren om circulaire business modellen toe te passen. De kosten voor het verwerken van post-consumenten textiel in garen voor nieuwe kleding worden bijvoorbeeld uitsluiten door het kledingmerk en uiteindelijk de consument gedragen. Het gebrek aan overheidsinvesteringen in recycling infrastructuur moedigt andere organisaties dan ook niet aan om de textielketen te sluiten. Het sorteren van post-consumenten kleding vraagt bijvoorbeeld een significante hoeveelheid fysieke verwerkingstijd. De overheid zou

dergelijke arbeid kunnen subsidiëren. Het verlichten van de kosten voor hoogwaardige recycling van textiel zou organisaties uit de private sector in staat kunnen stellen om circulaire oplossingen te implementeren

Een andere mogelijke beleidsinterventie betreft de introductie van een "hergebruik tarief" waarmee de circulering van producten tussen gebruikers van verhuur initiatieven wordt gestimuleerd. Deze suggestie werd gedaan door één van de geïnterviewde experts, Puck Middelkoop, medeoprichter van Hulaloop en Baby Exchangerie (BE), beide online platforms die respectievelijk babykleding en producten voor de babyuitzet verhuren. Met elke klant die een item huurt via de BE website, dient BE 21% belasting af te dragen per product, voor elke maand dat het product in gebruik is. Als gevolg wordt er meerdere keren belasting betaald over eenzelfde product, door elke gebruiker en op een maandelijkse basis.

Tot slot kan de Provincie een faciliterende rol aannemen door de verschillende kledingmerken die actief zijn in dit veld te verenigen om gezamenlijk oplossingen en mogelijke (co) financiering te verkennen. Één van deze merken zou het baby- en kinderkleding keten Nine & Co kunnen zijn, zij namen tevens deel aan dit onderzoek en zijn gevestigd in Lelystad. De keten beheert 4 merken: Noppies, Esprit for Mums, Supermom en Alvi, welke zich gezamenlijk specialiseren in positie-, baby- en kinderkleding tot 6 jaar. Nine & Co is geïnteresseerd in het verkennen van circulaire business modellen, namelijk verhuur van hun producten, welke daar uitermate geschikt voor zouden zijn. De Provincie zou de eerstvolgende Innovatie Tafel die georganiseerd wordt door het NMFF kunnen benutten om verdere bereidheid en afstemming te bewerkstelligen van kledingmerken uit de provincie.

ONTWIKKEL SOCIALE WERKPLAATSEN MET FOCUS OP TEXTIEL

De circulaire economie brengt interessante kansen met zich mee voor de creatie van werkgelegenheid en het versterken van vaardigheden. Gezien de interesse van merken in de ontwikkeling van verhuur en/of herverkoop modellen, lijkt een renovatie centrum in de vorm van een sociale werkplaats kansrijk. Daarnaast zou een dergelijke faciliteit de aantrekkelijkheid van de Provincie voor merken verder vergroten.

WERK SAMEN MET ANDERE PROVINCIES

De Provincie Flevoland is de eerste Nederlandse provincie die een textiel scan zoals deze uit heeft laten voeren. Met onderliggende kennis is de Provincie goed toegerust om weloverwogen beslissingen te nemen over de implementatie van haar circulaire strategie. Het aanmoedigen van andere provincies om soortgelijke informatie te vergaren over hun ingezeten textielketens zou kunnen leiden naar een gestroomlijnde benadering, waar aanliggende provincies de implementatie van elkaars circulaire strategieën kunnen ondersteunen. Merken met circulariteit doelen in omliggende provincies zouden er bijvoorbeeld bijgediend zijn indien provincie Flevoland een hotspot zou worden voor de reparatie en herfabricering van kleding.



CONCLUSION

This scan of the Province of Flevoland reveals that there are 25 full price stores selling baby and children's clothing and outlet locations such as Bataviastad, and 10 of the 65 apparel manufacturers located in the province are categorised as baby and sportswear⁴⁷. The province also houses 105 wholesalers and numerous DCs of both national and international brand groups.

In relation to the Netherlands, the Province of Flevoland sees a slightly higher presence of baby and childrenswear stores and industry, at 8% in comparison to a national 6%, though still not a major volume. Circle Economy conducted interviews with 6 baby and childrenswear wholesalers and retailers active in the area of the Province of Flevoland, and collected data from another 5 organisations from a previous research. Results from these interviews show that 57% of baby and children's wear stock is sold at full price, while 9% is unsold in the province. A further 33% is sold with discount, which while an industry standard, is a significant source of lost value and indicates a misalignment between supply and demand. 0.05% are product samples and 1% of garments are damaged. Thus, the circular potential for the Province of Flevoland translates into between 193,000 and 217,000 pieces (65-70 tonnes) of pre-consumer baby and children's wear, that is the 9% of unsold stock. It should be noted though that while there is an opportunity for innovation in this waste stream, the volumes are too small.

Considering the opportunity in terms of lost value, Dutch research indicates that 3.5% of annual profit is lost to unsold inventory.⁴⁸ It is important to note that this number will be vastly different in the current climate, where some retailers have indicated losses of up to £ 145 million owing to unsold stock during COVID-19.⁴⁹ There is a strong probability that there has been a significant increase in unsold stock during this year as a result of the global health pandemic, the total loss

of which might only be realised towards the end of this financial year.

Reselling the clothing locally at physical or online outlets is a preferred choice, as indicated by 60% of the interviewees. The items of clothing that are sold through these channels are usually discounted at >50% less than the original retail price. Once the pre-consumer stock can no longer be sold through this channel, 60% of the interviewees cited the use of 'jobbers', who are infamous for having an intransparent end destination. Even though there are already established channels for unsold pre-consumer clothing, the negative effects of some of these channels indicate the need for a more circular approach. The assumption that pre-consumer children's clothing is processed in a low value way is not entirely true for the organisations interviewed, however the same might not apply for the other brands, wholesalers and retailers present throughout the Province.

There is a need for industry and government to take action, with multiple strategies available to each stakeholder. On the industry side; wholesalers' practices in establishing terms of engagement, accurate forecasting and encouraging unsold stock exchanges with their customers might lead towards less unsold stock. Retailers can leverage their close contact with their customer base in the creation of a workable circular solution such as rental or resale. The government on the other hand could have a part in de-incentivising the large discount stream, by regulating sales periods. The government could also have a part in collaborating with the sector by bringing key stakeholders together and jointly considering financing methods.

Lastly, there is potential for increased social work placement at refurbishment centres, considering the industry's interest in tapping into these skills when developing a rental or resale business model.

Among the stakeholders contacted many were not interested in taking part in this research. Of the 6 that we interviewed, 5 were willing to engage in circular solutions. This does not necessarily indicate the willingness of the brands in Flevoland at large, but rather shows that circularity with regards to pre-consumer childrenswear may not be the key priority for brands and wholesalers struggling with the repercussions of a global health pandemic. However, the central location of the Province of Flevoland and the presence of major DCs do add to the relevance of a circular textile strategy for the Province. By expanding the scope beyond children's wear and by taking post-consumer waste streams into consideration as well, a considerable volume of textiles would be available to develop an impactful strategy.

In conclusion, Circle Economy recommends the Province of Flevoland to widen its scope in terms of materials and market segment within the apparel supply chain. It could be that baby or maternity wear might serve well in a pilot for circular innovation that could then be applied across other product and waste categories. Further research is needed in order to assess the feasibility of a broader textile strategy for the Province of Flevoland.

CONCLUSIE

Dit onderzoek toont aan dat er 25 winkels zijn die baby- en kinderkleding verkopen, outlet locaties zoals Bataviastad en dat 10 van de 65 kledingfabrikanten in de provincie Flevoland gevestigd zijn die worden gecategoriseerd als baby- en sportkleding⁴⁷. Er bevinden zich in de provincie ook 105 groothandels en tal van distributiecentra van zowel nationale als internationale merken.

In vergelijking met de rest van Nederland heeft de provincie Flevoland een iets hoger aandeel baby- en kinderkleding winkels en industrie: 8% in vergelijking met een nationaal percentage van 6%, al is dit geen nog altijd groot volume. Circle Economy heeft interviews afgenomen met 6 groothandels en retailers in baby- en kinderkleding die actief zijn in de regio van de provincie Flevoland en heeft data verzameld van 5 andere organisaties op basis van een voorgaand onderzoek.

De resultaten van deze interviews tonen aan dat in deze provincie 57% van de voorraad van baby- en kinderkleding voor de volledige prijs wordt verkocht, 9% onverkocht blijft en dat 33% met korting wordt verkocht. Hoewel dit in de kledingindustrie standaard is, blijft het een aanzienlijke bron van verloren waarde en indiceert het een disbalans tussen vraag en aanbod. Het volume bestaat voor 0,05% uit productmonsters en voor 1% uit beschadigde kleding.

Het circulaire potentieel voor de provincie Flevoland aan pre-consumenten baby- en kinderkleding bestaat uit de 9% aan onverkochte voorraad, goed voor 193.000 tot 217.000 kledingstukken (65 - 70 ton) . Hierbij moet wel worden opgemerkt dat er weliswaar innovatiemogelijkheden bestaan binnen deze afvalstroom, maar dat de volumes te klein zijn om individueel te worden opgepakt.

Eerder onderzoek toont aan dat in Nederland 3,5% aan jaarlijkse winst verloren gaat ten gevolge van onverkochte inboedel.⁴⁸ Het is belangrijk om stil te staan bij de verwachting dat dit cijfer in de huidige situatie zeer anders zal zijn, gezien het feit dat sommige retailers verliezen tot £145 miljoen hebben aangegeven wegens onverkochte voorraad tijdens de COVID-19-uitbraak.⁴⁹ Het is zeer waarschijnlijk dat er een aanzienlijke toename van onverkochte voorraad is geweest in dit jaar als gevolg van de wereldwijde pandemie, waarvan het totale verlies waarschijnlijk pas aan het einde van het financiële jaar zal blijken.

De lokale herverkoop van onverkochte voorraad via online of fysieke outlets heeft onder 60% van de geïnterviewden de voorkeur. De kledingstukken die via deze kanalen worden verkocht worden meestal afgeprijsd tot >50% minder dan de originele verkoopprijs. Zodra de pre-consumenten voorraad niet langer via dit kanaal kan worden verkocht, haalt 60% van de geïnterviewden het gebruik van 'jobbers' aan, die bekend staan om intransparante eindbestemmingen. Hoewel gevestigde kanalen voor onverkochte pre-consumenten kleding reeds voorhanden zijn, dragen de negatieve effecten van sommige van deze kanalen bij aan de noodzaak tot een meer circulaire aanpak. De aanname dat pre-consumenten kinderkleding wordt verwerkt op een laagwaardige manier is niet geheel van toepassing op de geïnterviewde organisaties, al is dat mogelijk niet het geval voor andere merken, groothandels en retailers in de provincie.

De industrie en overheid moeten actie ondernemen om het tij te keren. Hiervoor zijn voor elk van de betrokken partijen verschillende strategieën denkbaar. Binnen de industrie kunnen groothandels zorgen voor minder onverkochte voorraad door overeengekomen afspraken met hun klanten

te herzien, in te zetten op nauwkeurigere trendvoorspelling en het uitwisselen van onverkochte voorraad met hun klanten aan te moedigen. Retailers kunnen het contact met hun klantenkring benutten voor de implementatie van een circulaire oplossing zoals de verhuur of herverkoop van kleding. De overheid kan bijdragen door de afprijzing van producten aan banden te leggen, bijvoorbeeld door uitverkoopperiodes te reguleren. Tevens kan de overheid deelnemen aan een samenwerking binnen de sector door belangrijke stakeholders samen te brengen en samen financieringsmethoden te overwegen. Tot slot is er potentie tot de creatie van (sociale) werkplaatsen bij reparatie- of renovatie centra, gezien de interesse binnen de industrie in het ontwikkelen van business modellen voor verhuur en/of herverkoop.

Onder de benaderde stakeholders waren velen niet geïnteresseerd in deelname aan dit onderzoek. Van de 6 die werden geïnterviewd, waren er 5 bereid in te zetten op circulaire oplossingen. Dit is geen afdoende indicatie van de bereidwilligheid van merken in Flevoland als geheel, maar toont wel aan dat circulariteit binnen pre-consumenten kinderkleding geen prioriteit heeft bij merken en groothandels die worstelen met de gevolgen van een wereldwijde pandemie. De centrale locatie van de provincie Flevoland en de aanwezigheid van grote distributiecentra benadrukken echter de relevantie van een circulaire textielstrategie voor de provincie. Door de reikwijdte verder uit te breiden dan kinderkleding en ook de post-consumenten afvalstroom in overweging te nemen zou er een aanzienlijk volume aan textiel beschikbaar zijn om een impactvolle strategie te ontwikkelen.

Ter afsluiting beveelt Circle Economy de provincie Flevoland aan de reikwijdte van beschouwde materialen en marktsegment binnen de toeleveringsketen verder uit te breiden. Het is mogelijk dat baby- of zwangerschapskleding zich goed zou kunnen lenen voor een pilot voor circulaire innovatie, die dan weer kan worden toegepast op andere product- en afvalcategorieën. Het toetsen van een bredere textielstrategie voor de provincie Flevoland vereist echter wel aanvullend onderzoek.

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