

VF Corporation Creates a Circular Products Infrastructure: Q&A with Sean Cady

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VF Corporation VF Corporation executives want their global apparel, footwear, and accessory company to lead the large-scale commercialization of circular business models.

They're well on their way. Since publishing a circular strategy called Made for Change in 2017, VF Corporation has launched the North Face Renewed recommerce platform, introduced a North Face camping gear rental pilot in Europe with the Library of Things, and established the European luggage rental program Rent Your Kipling with startup Lizee.

"When we think about circularity, it's more than simply recycling. We focus on recommerce, rentals, and the design of the products," says Sean Cady, VF Corporation's vice president of global sustainability and responsible sourcing.

Recently we caught up with him to find out how the company is working to extend the life of its products.

For VF Corporation, what are the main advantages of pursuing recommerce and rentals?

In the last 15 years or so, clothing production doubled around the world. But at the same time, there is a lot of waste around clothing that is underutilized.

We looked at the circular model, where waste becomes the feed for new products, and materials and products are kept in use as long as possible. We saw it as an opportunity to unlock a new revenue stream, engage with customers that might not otherwise be able to buy our products, and meaningfully minimize our environmental impact.

The resale of apparel in the US, for example, has grown 21 times faster than the general retail environment. We see rental becoming a first choice for consumers that care about the environment. We believe that circular business models are financially viable for retailers, especially those in higher-priced segments.

What's the financial viability aspect for VF Corporation?

Using waste as the raw material for new products just makes financial sense. When we get into rental, renewed or used products, there's a new market willing to pay a lower price for a slightly used North Face jacket that performs equally as well, or pay a rental fee for a piece of Kipling luggage they don't have the space to store.

We see financial viability in areas of our business that are not necessarily replacing what a full-price consumer would pay.

How has the North Face Renewed program been going?

Between the program launch at the end of 2018 and May 2019, there were 14,342 garments renewed. It saved more than 100,000 pounds of apparel from presumably going into the landfill.

We see significant growth potential for the program. We're investing in infrastructure at VF, and finding partners to leverage in driving the volume that flows through the program.

Are you facing specific challenges, especially around adjusting your distribution system for recommerce?

The North Face Renewed in Europe, those products come back to our distribution centers. There are a number of challenges, whether it's the internal inventory management system and making sure we're not commingling slightly used product that has the same code as a new product.

Strange challenges we've had are things like, if our distribution center in Europe is in the Czech Republic and we're getting a recycled product back from the UK, crossing borders on a product we own that has zero value is not necessarily something that customs agents in Europe understand when you file import-export documentation.

These challenges affect our ability to scale faster. We're overcoming them through focus, dedication, and partners that figured this out or have their own systems.

What are your plans for the near future?

We remain committed to circular business models, and that includes upcycling materials and taking back products. In the future you will see incremental improvements season after season, year after year. You will also see new partnerships.

We are also committed to sustainable design across the enterprise, from the beginning of a concept of the product. By the end of this year, all of our designers in Europe will be trained by a third party on sustainable design in different areas including design for disassembly and design for recycling. And we're doing the same in the US with all of our American brands.

Is there a VF product currently being designed for disassembly?

This past year our European brand Napapijri designed the Infinity jacket, which can be completely disassembled mechanically and turned into a new yarn to weave into new fabric.

Some of the challenges in takeback, disassembly, and recycling have to do with the comingling of different fabric types. To recycle fabric that is polyester and cotton, you have to use different chemicals to, let's say, dissolve the polyester without affecting the strength of the cotton. It's complex technologically.

But the Napapijri team designed a jacket produced exclusively with Nylon 6 from recycled sources. Nylon 6 is made into buttons that have a shiny, soft or hard feel, fabric that is soft to the touch, stuffing that keeps you warm, and zippers that work just like regular ones. So we can take that jacket back, grind it up mechanically with no chemicals, and extrude that back into a filament that can be weaved into the product again.

What advice do you have for fellow leaders?

As an industry, we need to continue to be innovative in our design of sustainable and durable products. Studies have shown that, increasingly, consumers care about the sustainability of products, where products are made, how they're made, and what materials they're made with. Anybody in the apparel space today needs to focus on this.

Startups and pre-competitive collaborations are critical to enabling our success around recommerce and circularity. We're members of Fashion for Good, the Global Fashion Agenda, and leaders in the Sustainable Apparel Coalition.

My advice to our competitors and to others considering getting into the circularity space, is to join us at the table. Share your challenges. Share your successes. Create with us.