



ApparelXchange C.I.C. Company number SC583287

Annual Report - Impact Report

Our Story So Far

ApparelXchange is a Community Interest Company, meaning that we exist for the public good, rather than to make a profit. All of our work is governed by our social and environmental vision and mission:

Our vision is to establish a sustainable clothing system for young people which can be integrated in every community.

Our mission is to provide families with affordable clothing and footwear for 4-16 year olds, through our pioneering and replicable low impact clothing system, empowering young people to make sustainable clothing choices.

Our **mission** is broken down into the following **objectives**:

- **To enable practical action through the reuse and retail of children's clothing, reducing the carbon impact of clothing on the environment and financial impacts on families.** We do this through our online shop, our retail space, and pop-up shop events at our warehouse and at community events, where families can buy preloved children's clothing.
- **Through our work with social partners, to embed circular services (the re-use of quality second hand children's clothing) in our local area.** We do this through our relationships with public and third sector organisations, including schools, working in partnership to ensure families most in need receive free clothing, and to develop larger scale structures to enable clothing reuse.
- **To empower young people through creative skills and knowledge to make more sustainable clothing choices, resulting in positive behaviour change.** We do this through running education and outreach events, in schools and at our own premises, including providing training in clothing care and repair, and education on the textiles industry and the circular economy.

ApparelXchange was incorporated in December 2017 in response to the growing crisis of waste children's clothing, and increasing pressure on family income. We began with a focus on the reuse of school uniform, with the vision of a circular membership model in mind from the very start. During this phase we developed our brand; increased our profile; and worked with schools both to understand the challenges and demand for reuse uniform and to grow our customer base. After a couple of years we established a retail space in a shopping centre in central Glasgow, and diversified our product to include all types of clothing and footwear, including casualwear, sportswear, footwear and accessories. As with many businesses, however, the covid pandemic had a significant

impact on our in-person retail operation and we made the pivot swiftly to selling our product online, learning valuable lessons about our retail operation along the way. We secured a large warehouse space in the city centre to support our online shop and increased volume of clothing, but our bricks-and-mortar shop became unsustainable and we closed this space in October 2021. As we developed our understanding of our business, and in response to changing buying habits in the light of covid, we were keen to establish a retail space based in a community close to schools and residential areas, which could also function as a community space for our events and outreach work. We secured a lease on a property in the southside of Glasgow and were very excited to open our new shop in November 2022. We are now working to establish both a local customer base and to attract customers from further afield in Glasgow.

Over time we have built an enthusiastic team of Directors, recruited for their commitment to our company goals and the wide range of complementary skills and experience they bring to our Board. Our Directors work across our areas of operation, driving the strategic vision for the company. We have a small team of dedicated and knowledgeable staff who we are committed to developing, enhancing their own skills and the success of the company.

Our current focus is on growth. With the cost of living crisis showing no signs of abating, our work is even more important as we strive to bring ethical, sustainable and affordable solutions to the financial and environmental cost of children's clothing to a diverse range of communities, as well as our national online customer base. Building on this strong foundation, we are now ready to realise the vision which has always drive the organisation: to create a city-wide clothing system for young people.

Social Impacts

The social impacts of our work are realised through our provision of:

- high-quality, low cost clothing to families
- free packages of clothing to those most in need
- training opportunities through volunteering and employment placements.

While selling clothing at affordable prices also brings significant social benefits, our free package service is central to our social mission.

Free packages - delivery

In June 2022, we ran a clothing donation drive, promoted across Glasgow schools, in order to bring in additional stock for our free package service. **Collaboration** is key in order for us to reach families most in need of free clothing packages and we are only able to maximise our social impact through working with our amazing partner agencies. Glasgow City Parents Group (GCPG) have provided crucial support to our project, assisting in sharing via contacts and social media channels the referral process that families and other support agencies could use to access free uniform packages. We partnered with a range of other organisations across the city of Glasgow to reach families in need: Jeely Piece Club, Refuweegee, Crossreach, Money Matters, Includem, Home Start, Whitlawburn Community Resource Centre, NHS Healthcare Partnerships, Red Cross, Govan Community Project.

We also want to thank the families and staff at the following primary and high schools for their generous donations:

- Castleton, Clyde, Eastbank, Bun-sgoil Ghàidhlig Ghlaschu/Glasgow Gaelic, Bunsgoil Ghàidhlig Ghleann Dail/ Glendale Gaelic, Notre Dame, Our Lady of the Annunciation, Pirie Park, Pollokshields, Riverbank, Shawlands, St Brigid's, St Michael's, St Denis'; plus
- Drumchapel High School and Shawlands Academy.

This year we have also secured funding to support our provision of free clothing packages. We received:

- **£4000** from the John Maurice Aitken (JMA) Trust, whose aim is to make a difference to groups and individuals across Scotland who can benefit from support and advancement in the areas of health, education, employment, public participation in sport and with the relief of financial hardship. Using this funding, 160 young people were provided with a range of clothing including 996 garments.
- **£1000** from The Cooperative Bank Customer Donation Fund which enabled us to make up 10 packages of clothing with 22 garments in each.
- **£110** from the public through our Chip In for Change offer, enabling our customers to donate money to support our free packages service.

Overall, in 2022 we provided free clothing packages to 401 children. These included 2,112 garments with a value of £6,336. Since providing packages in 2018, a total of 1,159 children have been supported by ApparelXchange. 8,722 garments of clothing have been saved from landfill valued at £27,341.

The demand for packages is growing with the growing cost of living crisis and is likely to increase during 2023, so we continue to look for ways to extend our donation and partnership base, and bring in further funding, to support this work. Supported through the Awards for All programme, we will develop a more strategic approach to the clothing bank, which can reach effectively across the city.

Free packages - evaluation

After completing our 2022 free packages service we undertook an evaluation of the service to improve on the delivery, the quality of the service, and to find a more sustainable way forward. While free packages are central to our social mission, time spent supporting the service and fulfilling the packages is time-consuming. Demand for this service is enormous and we had to close referrals after just two weeks owing to stock and capacity restrictions. So we need to find ways of improving the organisation of the packages, to still allow staff to commit valuable time to day-to-day operations in the warehouse and online, ensuring the whole company remains sustainable.

An evaluation form was shared with both recipients and agencies to get feedback on the service. The feedback told us that:

- everyone who received communication from the service was satisfied or very satisfied
- 75% rated the package quality as high or very high; 9% thought it was low quality
- 70% felt the package met their needs; 18% felt it didn't; and 13% felt it only partially met their needs
- 77% were satisfied overall and 13% were not so satisfied.

We had specific information from package recipients giving context to this feedback: some reported that there were not enough items in the package; were provided with shirts for a girl in a package for a boy; or reported that the uniform didn't meet their needs.

As a result of this evaluation we have identified a series of actions:

- introducing an improved referral form, to get more information on precisely what is required to ensure we meet young people's needs. Some of the forms were not completed fully and required additional engagement with the referer, which took up staff time.
- ensuring our packages have enough items in them to meet the recipient's needs. Providing fewer packages of higher volume will overcome this issue.
- holding events at our warehouse so that people can come and choose from our stock, saving time on package fulfilment which doesn't meet their needs.
- securing further budget to support the packages service, including time to both sort items and fulfil packages.
- building up a repository of stock to service packages so when referrals come in can be fulfilled easily.
- completing referrals throughout the year, to mitigate the peak in demand over the summer. This will break the tradition of always refreshing uniform for the new term, when in fact lots of uniform that families have from the previous school year still fits and is in good usable condition.
- Providing vouchers to agencies which they will subsidise. Some partner organisations have budget for services such as ours, or we can apply for funding to support this activity. Creating vouchers for spending will help move the expectation of entirely free clothing to a more sustainable model.

Although we know there are ways of improving our free packages, we were delighted to receive glowing testimonials for this service from the agencies we have worked with in 2022:

- "Great service, staff replied promptly and had a clothing package ready to pick up within the week. This greatly supported a family in crisis."
- "Great service to help out families in need."
- "Efficient and reliable service that's invaluable to many families and communities"
- "Thank you to the staff for helping us out. The families who have received the uniforms were extremely grateful. The quality and quantity provided was excellent and we can't thank you enough for helping us out."
- "The process in place to order clothing has been quick and easy to complete, so is not taking up valuable work time. ApparelXchange has never disappointed and have produced packages efficiently after requests received. Staff have always been very helpful and friendly. Coming down from their office to the street to meet and hand over packages, avoiding parking issues for us in the city centre and again more time efficient, particularly when called at short notice to advise on way to pick up. Very accommodating. Thank you so much, what a valuable service this has been for us."
- "Great service, it would be great if it was an easy access for families, possibly more pop up events during the year. Children grow so fast. "
- "We're very happy to be able to have the connection with ApparelXchange and very much looking forward to continue our co-operation in the new coming year. Many

thanks for all your hard work - the families we help, really appreciate your invaluable help”

Volunteering

While we have a very small volunteering programme, we continue to provide volunteer placements throughout our operation, particularly in our warehouse. In 2019 our volunteer programme was funded by Awards for All, and the programme has continued to run since then, but we need to grow this area, to increase our capacity and to continue to deliver against our social impacts.

Volunteer placements to date are really suited to individuals with an interest in fashion and who are capable of working independently. We are not in a position currently to support people with additional needs. For example, we have run corporate volunteering days with staff from Zero Waste Scotland, Accord, Avanta Wealth and Mearns Housing, coming into our warehouse to process stock.

During 2022, we provided 21 volunteering opportunities, where volunteers have processed stock. Most of these people were on corporate days. Since we started, we have provided, 43 volunteer placements.

Training Placements

We have worked with Higher Educational Institutions to provide practitioner opportunities for the Masters degree in International Fashion Marketing provided by Glasgow Caledonian University (GCU). During 2020, three groups delivered on time bound projects. During 2022, we had an intern from GCU for a 20 week internship and an MSc Environmental Entrepreneur from Strathclyde University completing their project too.

During 2021 and 2022 we provided two Kick Starter placements. Both secured jobs within the 6 month window, one externally and one becoming an employee with us. We also had a short term Circular Economy Intern provided by Zero Waste Scotland which ended before the project completion due to lack of capability to deliver.

We are committed to continuing in engaging a diverse workforce, however, must ensure capacity is there to support and there is a mutually beneficial fit with the individual.

Increasing awareness and influencing behaviour

ApparelXchange is committed to raising the awareness of the environmental impacts of the clothing industry, particularly the production of children’s clothing. We achieve this through two main routes:

Community-based events and actions

- During 2022, we participated in one event which engaged 60 people, this was the Social Enterprise Academy Dragons Den panel, which engaged with 6 high schools, presentations and awards.
- Cumulatively since 2018 we have held 16 community events, engaging 636 people; these events include film showings, fair fashion events, conferences, panels, and sewing skills workshops.

- Our capacity to deliver on these events can be limited. We now have a community shop which will host many events and engage local and city wide residents. A programme of events is being established for delivery.

Schools-based education and awareness sessions

- During 2022, we held two programmes which engaged 77 people. We ran a three-week programme at St Peter the Apostle High School to develop a reuse campaign for the school; and two sessions providing sewing skills alongside developing awareness of the clothing supply chain and impacts at Notre Dame Primary School.
- Inspired by the work of ApparelXchange, P6 pupils at Castleton Primary held a Clothes Exchange for ages 4-12, encouraging children to bring an item they had grown out of to swap for a bigger size. All remaining garments were donated to ApparelXchange.
- Cumulatively since 2018 we have held 16 school-based events, engaging 1345 young people.

In both cases our capacity to provide awareness sessions has been limited by capacity and other business developments.

Working in partnership

As well as the crucial partnership working which underpins our provision of free clothing packages, we are always looking for opportunities to collaborate innovatively to advance our social and environmental mission. One key development during 2022 was our partnership with Scottish Sports Futures (SSF), an organisation dedicated to harnessing the power of sport to empower disadvantaged young people and families in Scotland and support their confidence, health and happiness. In collaboration with SSF, we held a donation drive for active wear, successfully engaging Cartha Queen's Park Rugby Football club, Titan Taekwondo, The Avanta Group, Barclays, JP Morgan and many members of the public. We gathered 264 clothing donations, of which 84% were reusable; we processed these donations for distribution to those most in need and to give young people access to sporting activities at affordable prices, with all the health and wellbeing benefits this brings.

This campaign was so successful we will be running it again in 2023 to reach more families, and expand the campaign to include engaging sportswear brands to actively support the project. We will build on the insights we gathered this year to further improve the campaign's success. For example, lots of rugby and football boots were donated, many of which were still in excellent quality, but the soles were worn off some of the trainers we received leaving them with no grip, so we had to send these for recycling. We were donated sportswear in lots of larger sizes, some of which we distributed as they were suitable for older teenagers and some of which we passed onto another charity. Overall the quality of garments donated was surprisingly good with some brands presenting a high reuse rate - demonstrating just how possible and important it is for sportswear to be part of the circular economy, to benefit as many young people as possible. We will be running the campaign again and seeking out more sportswear partners.

Other key collaborators are Glasgow City Parents Group who continue to support our engagement with school parent councils, which is crucial in spreading our message and securing buy-in for our

work; and Glasgow City Council Education Department who we work with to engage schools directly and ensure our messages about clothing reuse gets to all schools in the city.

We are also fortunate to work with other local charities and community interest companies who share our vision of behaviour change in relation to clothing consumption, including Merry-go-round and Revolve Recycle, sharing marketing and social media campaigns to our mutual benefit.

Environmental Impacts

As an organisation with a mission focussed on positive change to benefit the environment, we have monitored our operational environmental impacts since we were founded.

In 2022:

- Our operational emissions for scopes 1-3 were 2.57 tonnes CO₂e in 2022. This includes all of our supply-chain emissions.
- Most of our emissions come from electricity use. We can expect those emissions to increase overall given the addition of the Nithsdale Street shop, but in the longer term they will reduce as the energy grid decarbonises.
- We are seeking to make improvements to energy efficiency and vehicle-fuel.
- The impact from our operating model was estimated at 31.21 tonnes CO₂e in 2022. Therefore the positive impact of our work is estimated to be more than 10 times that of our operational emissions.

We are developing a plan to reduce our impacts further, by switching to an all renewable electricity supply. We have scrapped the diesel car which we were using to transport donations, and are looking to lease or buy an electric bicycle. We have minimised all use of plastic, by (for example) using paper labels and reusable string for our price tags, emailing rather than printing receipts, and sourcing reused clothes hangers.

Economic impacts

We are working hard to put our organisation on an increasingly sustainable and robust economic footing. Developing our trading and revenue income from our initiation has been key, albeit challenging with lack of retail, poor retail locations, pandemic economic lockdown and the subsequent impacts on shopping habits, and finally the challenges of securing community based retail.

Over the years our trading pattern has focused on retail trading. Other smaller revenue streams like education, events, speaking and recycling are all minimal compared to our trading revenue:

Financial Year	Income through trading	% of total operating costs	Trading income growth	Funding income
2018/19	4504	24%	0 baseline, 100%	15,072
2019/20	7560	25%	67% growth	27,473

2020/21	6792	25%	10% reduction	18,136
2021/22	18427	33%	171% growth	59,232
2022/23 projected	39,000		111% growth	

Re continue to rely on grant funding to support our operations, with our trading income slowly growing. We continue to prioritise trading while diversifying our income streams to other sources, namely corporates, brands and other social enterprises.

The year ahead

In 2023 we will focus on our vision to create an **inclusive and integrated clothing system** for a city for young people:

- working with our collaborators in clothing retail and services: in particular, we will be developing and promoting the area of the city where our shop and many of our collaborators are also as Glasgow’s Sustainable Fashion Quarter; and working towards securing a space in this location to set up a Fashion & Skills Hub, a one-stop shop for retail of preloved or sustainable fashion, and training to develop skills in this area.
- sharing our vision for these projects, in particular gaining political support from local and national politicians, and gaining traction with Glasgow City Council to secure buy-in for our integrated clothing system vision.

Other priority areas for development will include:

Retail

- Now that we have opened our shop located in a lively residential community, we will focus on building our profile in the local area and our customer base.
- We will be holding a year long programme of events and engagement activities for the community in this new space, combining knowledge, skills and action. These activities will range from kids’ sewing classes through to parent and carer hang outs. The shop is a place from which we can lead on coordinating local action on sustainable fashion.
- We will strengthen our online presence further building on our solus site for our ecommerce, education and social work.

Membership, communion dresses, blazers and prom dresses

- We have a vision of a membership model for children’s clothing reuse, enabling everyone to benefit from the circular economy for an affordable amount, akin to a shared wardrobe.
- We have begun with providing a circular service for high-cost items such as communion dresses, blazers and formalwear. Our approach will promote the low cost benefits (as well as the environmental benefits) of reusing clothing, offering

maximum flexibility to families in using our service and a deposit return on this occasional wear.

- Intrinsic to this membership model is building a community of families and young people across the city fully engaged with a more socially and environmentally sustainable way of consuming clothing. The benefits of sharing a wardrobe and continuing to circulate clothing through use and return manages this commodity to its highest value.
- Finally, we will look to expand our membership to agencies and schools who need access to this shared wardrobe, ensuring all young people have the clothing they need.