

## **Circular economy projects provide new business opportunities - Posti and Nanso collaborate to give products a new lease on life**

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The way we consume and produce goods and services is changing, driven by both consumer behavior and regulation, towards more sustainable solutions. An increasing number of companies are recognizing concrete business benefits in the circular economy, in addition to reputational benefits. It is estimated that by the end of this decade, the circular economy will account for up to a third of the consumer goods market, representing an annual business opportunity of up to EUR 650 billion for European companies alone\*.

Posti is committed to promoting the circular economy and offering its customers new kinds of solutions that support sustainable development. One concrete example of this is the collaboration between Nanso and Posti around the Uusi Elämä collection. The collection was born out of a desire to solve the challenges of the textile industry and offer customers more sustainable alternatives.

"The circular economy service provided by Posti helps Nanso extend the life cycle of products, reduce waste, and open up new business opportunities. The cooperation, which began as a pilot project, has grown into a continuous operating model. This is an excellent example of how sustainability and business efficiency can support each other," says Elina Gustafsson, who leads Posti's circular economy project.

### **Nanso's Uusi Elämä collection**

Nanso's Uusi Elämä collection consists of new, used clothes in good condition that have been returned due to some mistake. Defective products include, for example, product returns from an online store with a makeup stain.

"The circular economy and the maximum service life of products are key parts of our sustainability work. Every Nanso product is designed to stand the test of time. That is why we are also looking at extending the life cycle of products that would not be suitable for sale or use as such due to some defect," says Jenni Homer, Director, Retail & eCom at Nanso.

The defective products are refurbished at Posti's warehouse in Pennala, where all

Nanso products are stored. Used clothes go through a rigorous process before they are returned from the warehouse for sale in selected Nanso stores. Unnecessary transport needs are reduced when the clothes to be refurbished do not have to be sent to external operators for repair. The products can be delivered to the stores along with other Nanso transports, saving time, resources, and reducing emissions.

"We already worked with a service provider offering similar repair services, but this meant sending products from one place to another. Posti acts as a partner in the warehousing of our products, so it was natural to transfer the repair of the products under the same roof. Logistics challenges were reduced, and product tracking improved," says Homer.

Posti's service not only supports Nanso's sustainability goals but also offers concrete business benefits.

"Previously, many of these products would have had to be sold at a discount or even removed from the selection to be recycled. We are able to offer our customers a new kind of sustainable purchasing option – high-quality and carefully renovated clothes that will last a long time. At the same time, Posti provides us with data that helps us better understand which product groups are being repaired and what kind of repairs are being made to the products. This helps us

develop more durable and long-lasting products," says Homer.

For consumers, this means the opportunity to make more sustainable choices without compromising on quality. One of the biggest reasons why people are hesitant to buy second-hand clothes is hygiene – and that's exactly where Posti's process brings the solution.

Posti develops new circular economy services

Posti is engaged in continuous development work alone and together with customers to find new kinds of circular economy business opportunities.

"We want to be a partner for companies in growth, and we are constantly engaged in expert discussions on the changes in the market on a global level. Our resource lies in a comprehensive network where we combine the logistical flows of both new and used products. There is no need to move goods for renovation needs, but we can offer circular economy services as part of our warehouse services. This efficiency makes the circular economy more commercially attractive and opens up unique opportunities for the use of the circular economy in different industries and purposes, whether it is more advanced return management or genuinely new circular business models in all our

geographical operating areas," Gustafsson concludes.

\*McKinsey & Company: Playing offense on

circularity can net European consumer goods companies €500 billion

Source: [Posti](#)