

IMPACT REPORT

Annual Report 2023

INDEX

ACT Annual Report 2023

1	Mission	3
2	Approach	8
3	Work	12
4	Impact 2023	19
5	Business Development & Partnerships	25
6	Team	29



1. MISSION



Mission

WE GIVE NEW LIFE TO OLD CLOTHES.

As a social enterprise, ACT pledges to uphold sustainable business practices while remaining faithful to its vision and goal to find solutions to end fashion waste.

Our efforts are focused on Africa, our motherland. ACT is composed of ordinary people with extraordinary ideas on how to divert textiles from landfills. We enable a circular economy for textiles. We use the power of design and creativity to lower the footprint of the fashion industry while creating jobs.

We distribute free and affordable clothing to underprivileged communities and we recycle materials in brand new items.



Mission

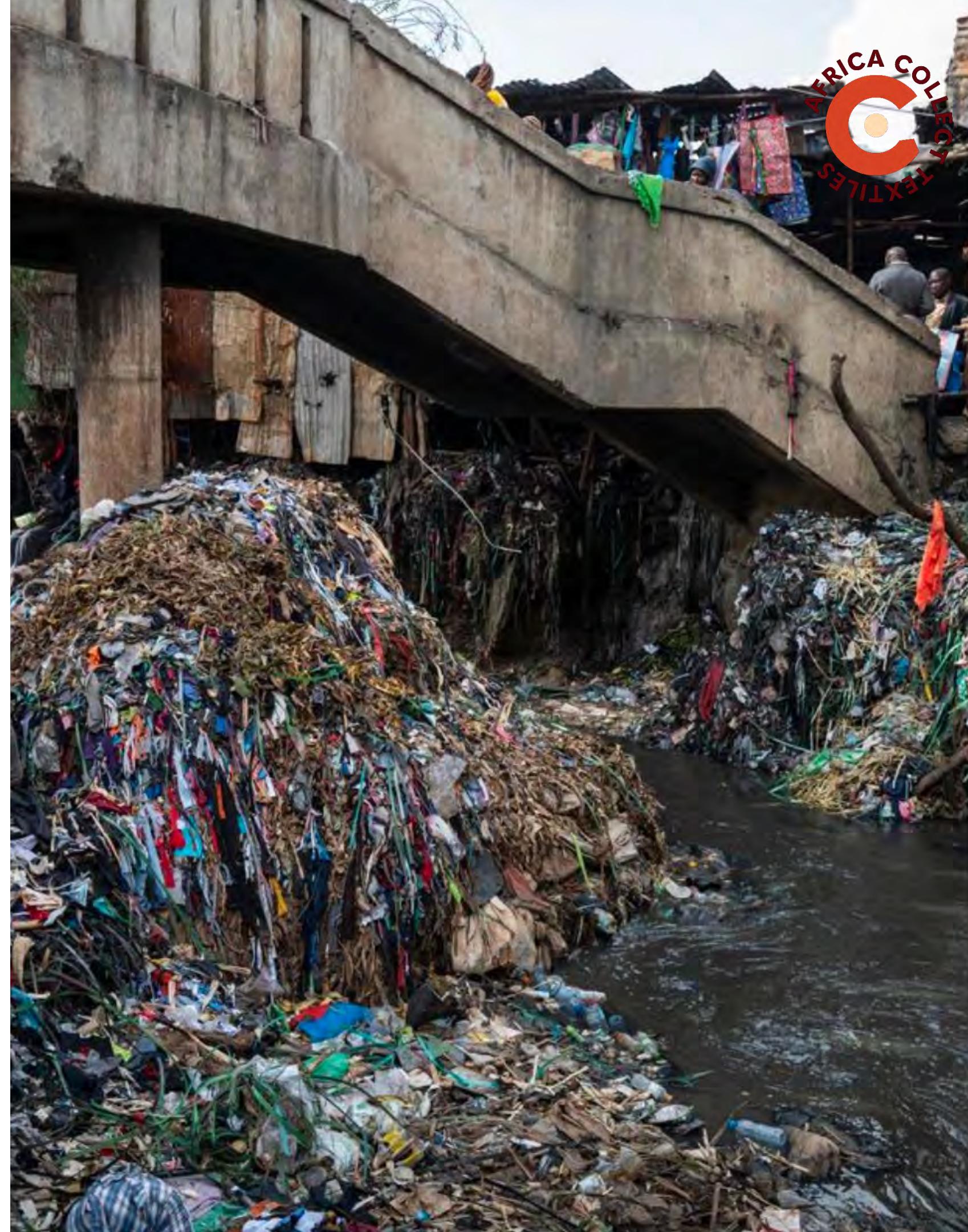
A NEED FOR CIRCULAR SYSTEMS FOR FASHION

C The fashion industry is overshooting the UN Paris Agreement's 1.5°C target by 50%, heading towards a 3°C increase.
(HEY Fashion, Eileen Fisher Foundation)

C Over USD 500 billion is lost globally due to under-utilized clothes and poor recycling.
(Ellen MacArthur Foundation)

C Imported second-hand clothes have doubled in price in two years. ACT sources locally, offering lower prices without unsellable items.
(Better Market Foundation & Clean up KE)

C Organizations are shifting towards sustainable textile disposal practices. ACT is leading this movement in Africa.



WHY INSTALLING CIRCULAR SYSTEMS FOR TEXTILES IN AFRICA?

- C Clothes are buried on landfills or end up in nature.
- C Textile industry is in place & there is potential for circularity.
- C Raw materials are expensive.
- C Jobs are in demand.

Status Quo

Kenya is spending 400 mln USD to importing 2nd hand clothes.



Mission

OUR VISION: CIRCULAR FASHION PLATFORM.



The ACT-Model functions as a local, centralized platform for textile waste management:

- It facilitates collaboration among stakeholders in the textile waste management and recycling sector.
- The model utilizes a local "mitumba" system to reduce reliance on foreign imports of second-hand clothing.
- It increases efficiency for businesses seeking textile waste resources
- Addresses the issue of money leaving the country by redirecting spending to local initiatives



The ACT-Model disrupts and enables the textile sector:

- It disrupts the traditional linear fashion industry by promoting circularity
- Kickstarts circularity in regions lacking infrastructure for fashion circularity
- ACT provides a step-by-step roadmap for building a detailed recycling sector for fashion in regions lacking such infrastructure.
- Enables designers to utilize second-hand textiles by providing sorted materials.

Our vision at ACT is to transform the fashion industry by establishing a dynamic platform that disrupts traditional practices and enables sustainable circularity.

We envision a future where textile waste is not seen as a burden but as a valuable resource, driving economic growth and social development in regions lacking recycling infrastructure.

Through our ACT-model, we centralize collection and sorting processes, reducing reliance on foreign imports and keeping money within local economies. Our approach kickstarts circularity by investing in basic infrastructure and providing a step-by-step roadmap for building a comprehensive recycling sector. By doing so, we aim to create a more sustainable, environmentally friendly fashion industry that benefits both people and the planet.

2. APPROACH





Approach

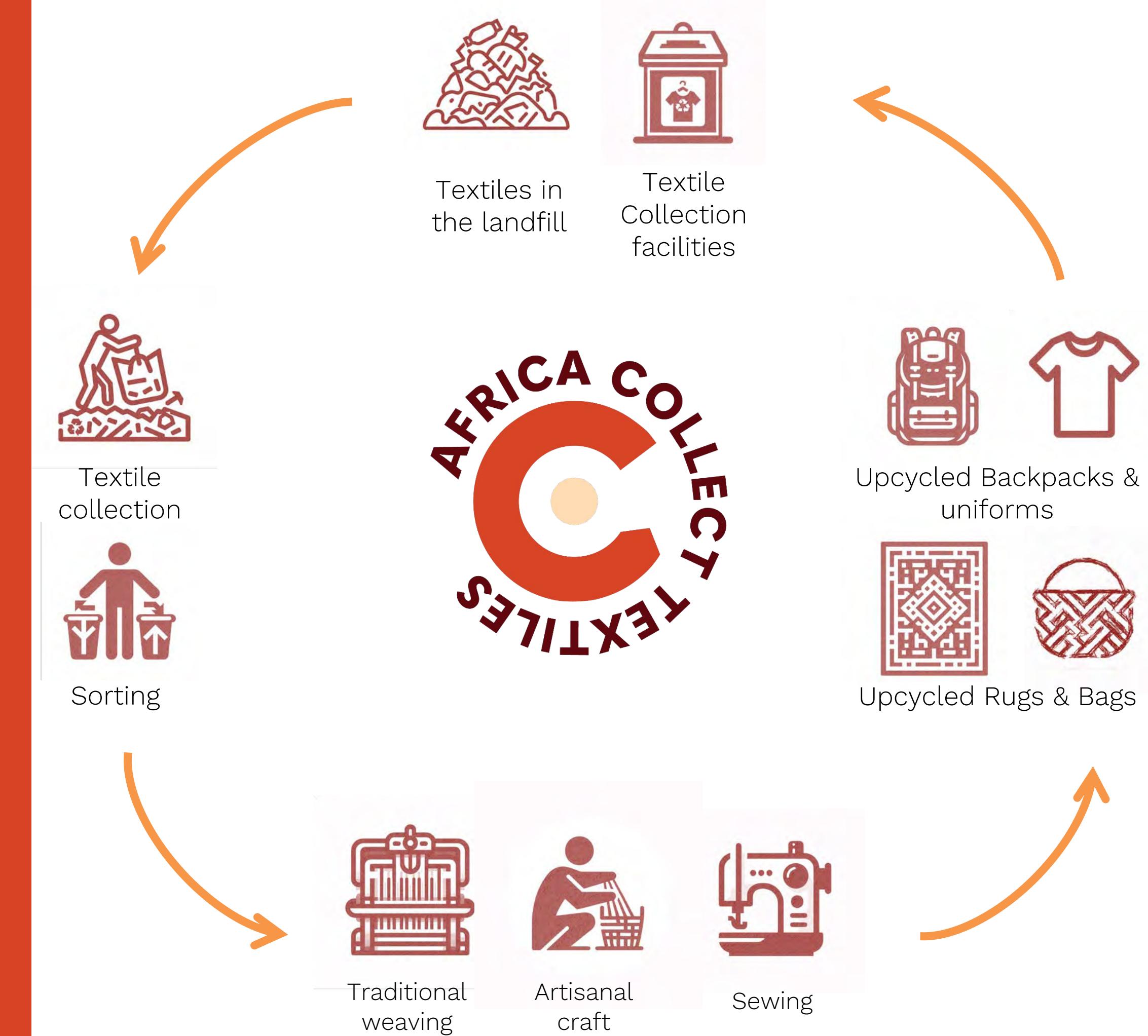
WE ENABLE A CIRCULAR ECONOMY FOR TEXTILES

We champion environmental conservation by enabling a circular economy for textiles and footwear. We utilize resources to their full potential, support communities that are affected by textile waste and generates new jobs in collecting, sorting and upcycling of used textiles.

Approach

WE ENABLE A CIRCULAR ECONOMY FOR TEXTILES.

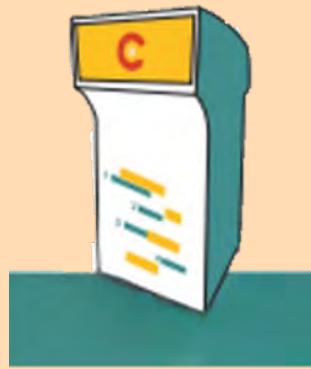
- We collect, sort and redistribute used and unwanted clothing, in order to provide vulnerable communities with decent outfits.
- We prepare large quantities of sorted materials (acrylic, wool, cotton, etc), suitable for repurposing, upcycling and recycling by Africa's creative scene, furniture and textile industry.
- We design and produce circular products from sorted textile waste.
- We safely process sensitive uniforms, workwear and remove corporate logo's.



Approach

OUR VALUE ADDING TO USED & WASTED TEXTILES

Collection of Used Textiles



What?

Used Textiles, Uniforms & Cut-offs

How?

Drop-off point, pick-up services, market collection

Price: 0.20-0.25 €/kg

Sorting of Textiles



What?

Sorting into wearable items | Non.wearable items

How?

At ACT location in Nairobi by ACT employees

Price: 0.0-1.00 €/kg

Reselling Textiles



What?

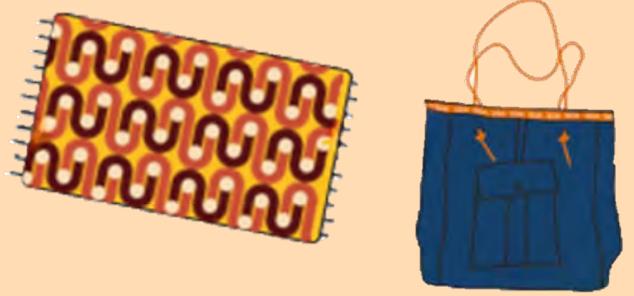
Sorted and cleaned textiles for 2nd hand market

How?

Sold by independent (female) retailers

Price: 0.50-1.00 €/kg

Upcycling Textiles



What?

Upcycling Denim, Uniforms & other non-wearable Items

How?

Weaving carpets & baskets, sewing backpacks, pillow

Price: 0.50-2.50 €/kg

3. OUR WORK



Our Work

OUR THREE CHANNELS OF SOURCING TEXTILE.

We collect textiles via three different channels to make it most efficient.

1. A collection network of 40+ drop-off points for used textiles, located in malls, shops, universities and religious institutions
2. Gikomba second hand clothing market. From East Africa's largest market and with the help of 20 community agents and waste pickers, ACT collects textile waste and unsellable clothing for different local and international recycling projects.
3. Business partners, such as security companies and wildlife conservation organisations, whereby uniforms are collected for upcycling.



41

Collection Bins in Kenya are installed



20

Female Community Agents collecting used textiles locally

3

Corporate Partners provide Uniforms, Bags & Shoppers



WE GIVE NEW LIFE TO OLD CLOTHES.

We are at the forefront of reducing textile waste from landfills and upcycling it into innovative accessories, home decor and new garments. In 2023, we had a special collaboration with the David Sheldrick Wildlife Trust and their rangers which are dedicated to protect orphaned elephant & conservation in general.

We collected the ranger uniforms and turned them into backpacks.



Our Work

OUR PRODUCTS.

Upcycled Products:



Backpacks
Upcycled Security or
Wildlife Guard Uniforms



Carpets
Upcycled Denim (old jeans)

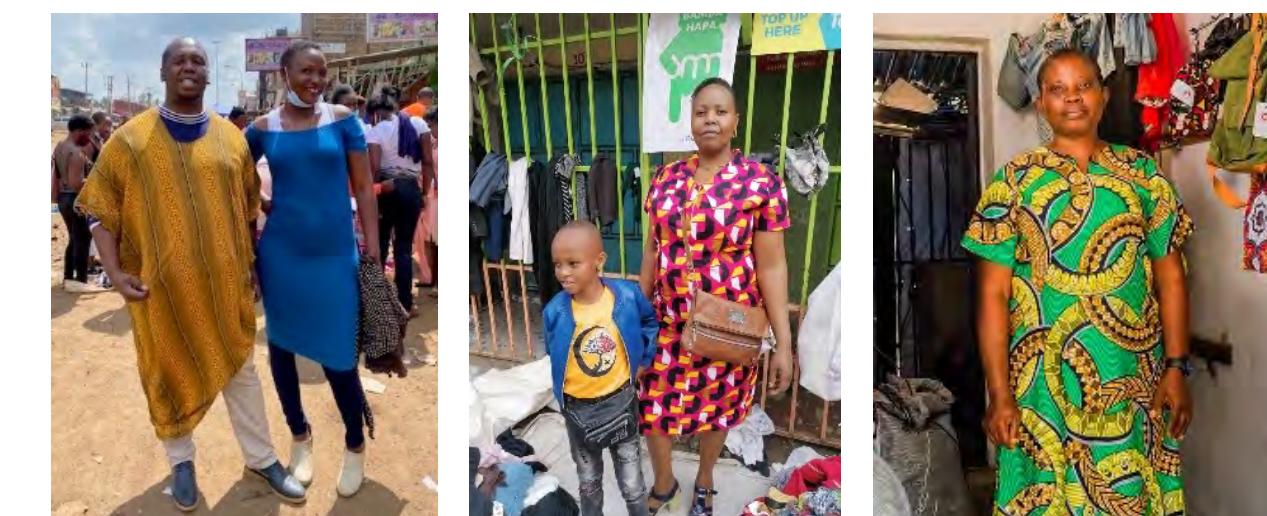


Tummies
Upcycled denim and use of left-
over textiles



Kionda (Kenyan Bag)
Upcycled denim and other
materieals.

Sorted & wearable clothes for the 2nd Hand Market:



Semi-Finished Products:



Filling Material
Made from unusable textile

Our Work

OUR SALES CHANNELS AND LOCAL IMPACT.

After collection and sorting, the items that are still wearable flow (back) to second hand clothing markets.

Our 2nd Hand Advantage:

As ACT is collecting locally, and is not dealing with second hand clothes from abroad which come in heavy bales of 45 kilo, we had the chance to re-design the distribution of our wearable items. We noticed that mostly women are affected by the global fashion chain and, especially the ones living relatively far from Gikomba market where the containers arrive, have less access to good quality bales from abroad. ACT therefore created a new 'mini-bale' system whereby smaller bales are delivered to female resellers operating in the outskirts of Nairobi.

Our Upcycling Channels:

ACT's unique upcycled products can be bought in 7 stores in Nairobi and through distributors in the UK, The Netherlands, Germany and Italy.

50

Local selling points for wearable items

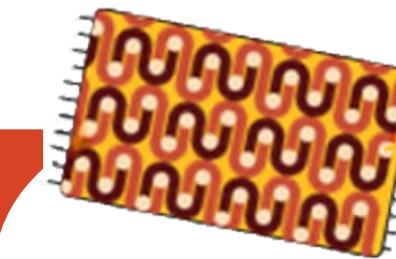


4

International B2B-customers

7

Selling points for upcycled products



70

Share of locally sold products

30

Internationally sold products



FEMALE WEAVING PROJECT

ACT's weaving department is managed by Margarget Amimo, single mother of three. Her husband passed away in an accident and had to generate all required income and school fees by herself.

Margaret's story is not uncommon in the developing world. The cycle of poverty is unfortunately the faith of many women in Africa.

Her job at ACT provides her with a steady income. Her 3 children get education.

The weaving department and well as our partners in Kitui, train and employ only women. Providing women with employment and an income makes them more independent and guarantees investments in the next generation as school fees are more often put aside for children.

By designing products that make use of the skills of women, we promote their livelihoods and future. The more upcycled products we sell, the more lives we can improve.



MILESTONES IN 2023

Started working with Isolo Weavers
Large female group as external upcyclers

Grew the team to 20 people

Extended the product portfolio to 24 products

Doubled the revenue to 2022!





3. IMPACT

HOW WE MEASURE OUR IMPACT

In this inaugural year of Impact Reporting, we are excited to share our journey at ACT, where we create impact on two fronts. Firstly, we are creating jobs and income opportunities and secondly, we are creating production capacity and circular economy. This dual dimension of impact underscores our commitment to driving positive change within our operations.

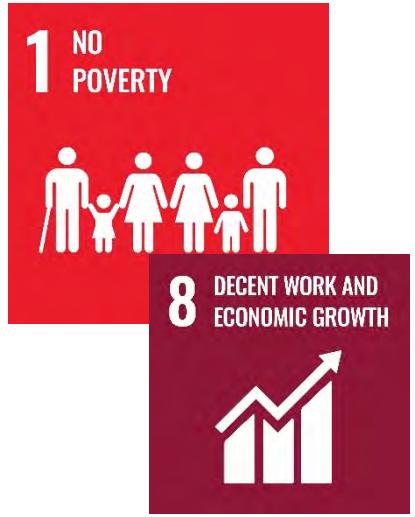
We use the Sustainable Development Goals (SDGs) to measure our impact. Our impact logic is simple: We create green jobs (SDG 8) especially for women (SDG 5), youth organizations, and textile collectors, which in turn help end extreme poverty (SDG 1).

Our commitment to expanding production capacity and innovation, supports the industrialization of Kenya (SDG 9). Furthermore, we are creating circularity by recycling textile trash with our production.

SUSTAINABLE DEVELOPMENT GOALS OF ACT:



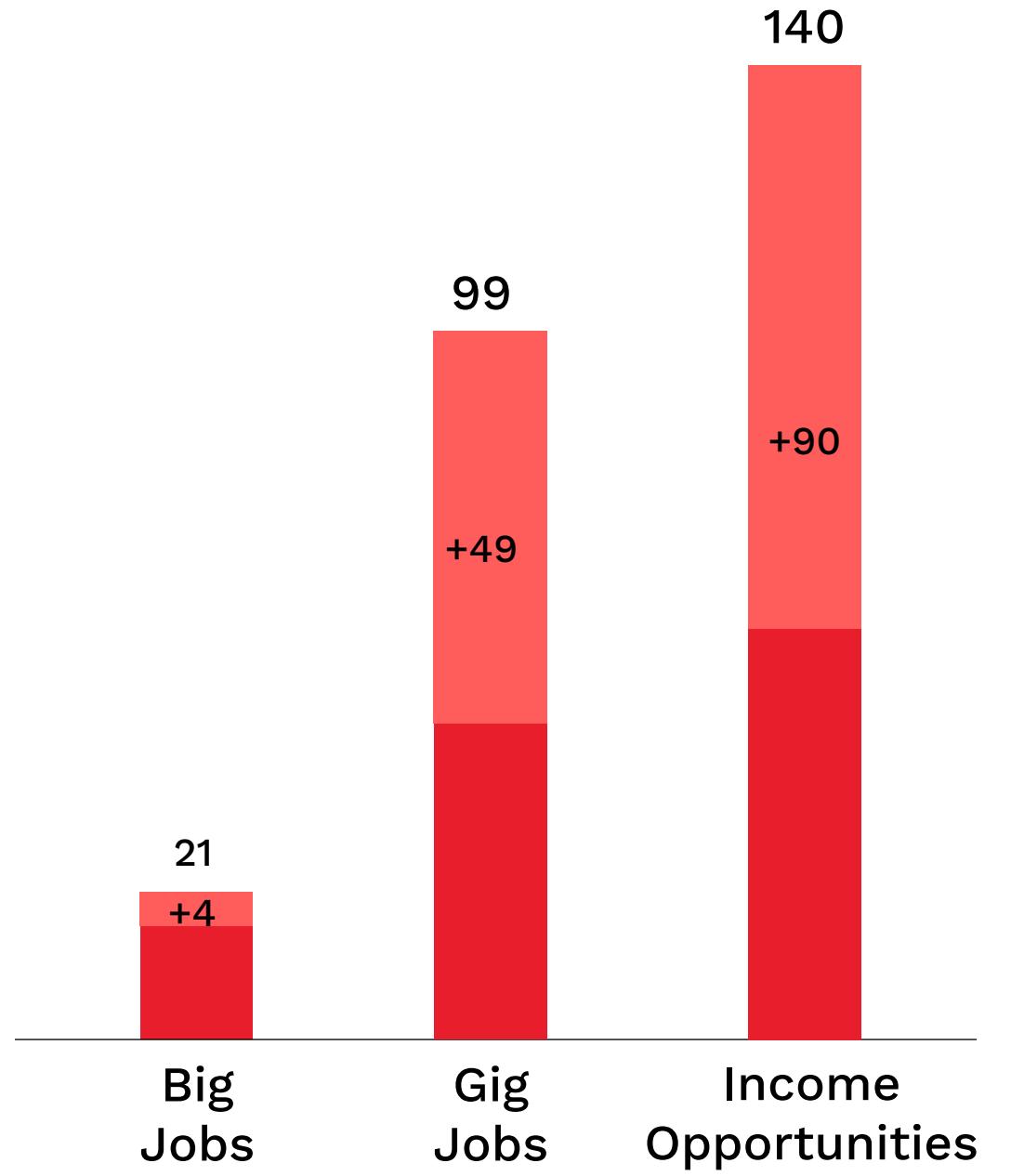
OUR INDICATOR TO MEASURE OUR IMPACT ON POVERTY: JOB CREATION



The United Nations' SDG 01 aims to eradicate extreme poverty by 2030, measured as individuals living on less than \$1.25 a day. ACT plays a crucial role in this mission by generating employment opportunities in impoverished areas.

Recognizing the pivotal role of employment in poverty alleviation, we emphasize the creation of "big jobs," "gig jobs," and income opportunities. "Big jobs" pay above the national minimum wage, offering stable employment crucial for poverty reduction. "Gig jobs" reflect the evolving work landscape, providing incomes above the poverty line.

The job baseline of 2022 is marked in red. New jobs, created in 2023, are marked in lighter shades.



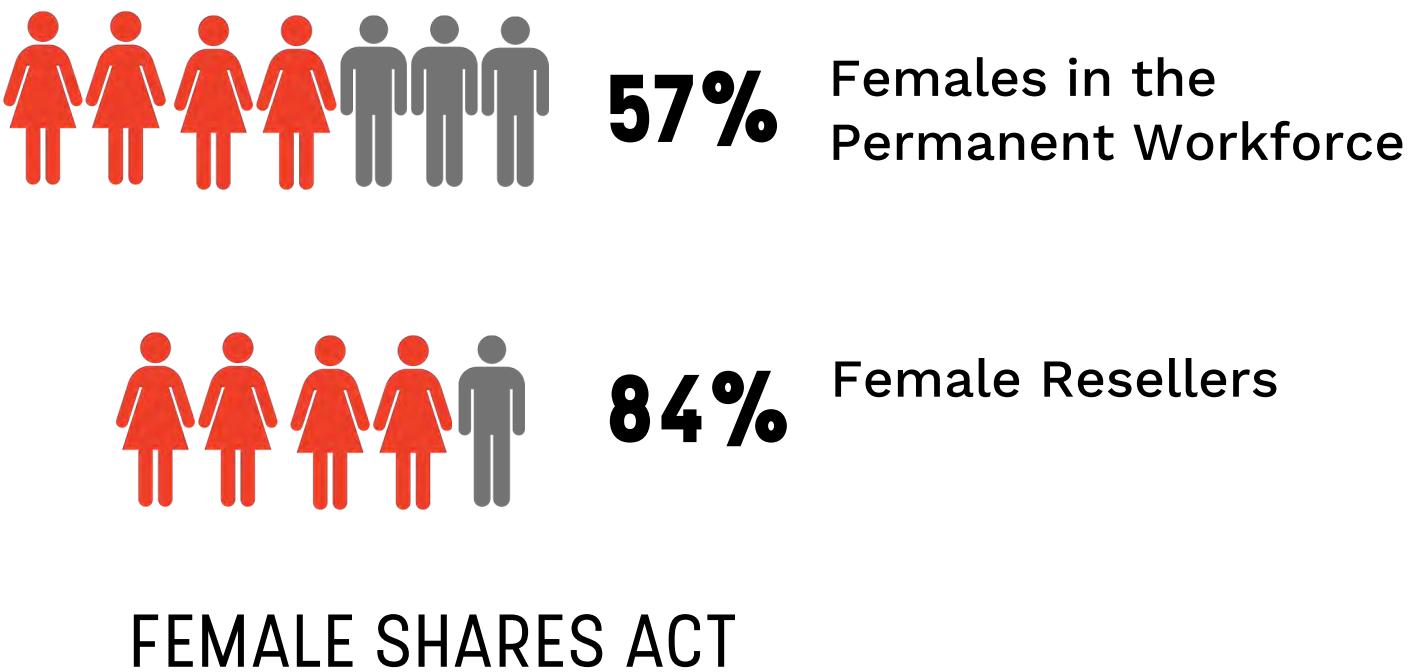
NUMBER OF JOBS CREATED BY ACT

OUR INDICATOR TO MEASURE OUR IMPACT GENDER EQUALITY: FEMALE QUOTAS



The United Nations' SDG 05 aims to achieve gender equality and empower all women and girls by 2030. ACT is aligned with this goal, with a focus on promoting female representation in both entrepreneurship and the workforce.

Recognizing the importance of gender diversity in driving innovation and economic growth, we track female quotas in the permanent workforce as well as amongst the resellers to ensure transparency about gender balance.



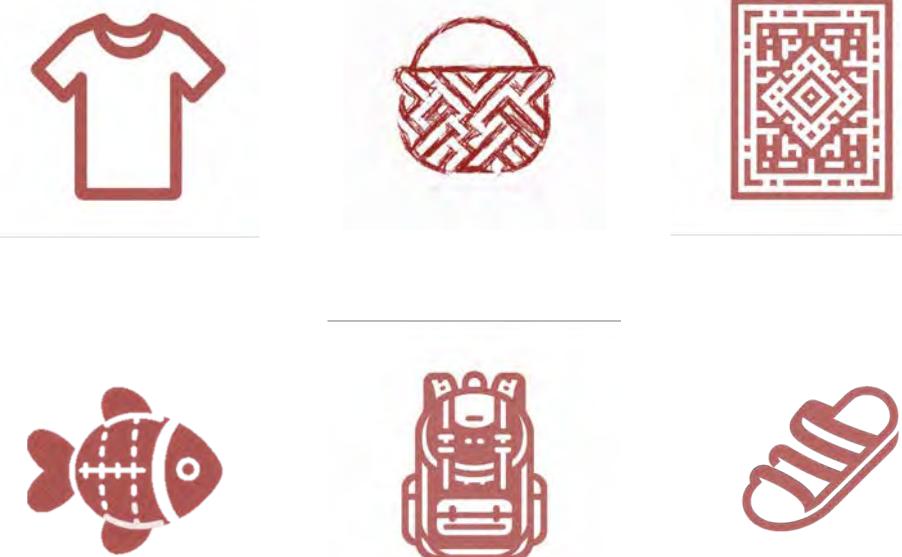
OUR INDICATOR TO MEASURE OUR IMPACT ON INDUSTRY, INNOVATION AND INFRASTRUCTURE: PRODUCTION CAPACITY



The target of the SDG 09 defined by the United Nations is „Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation“. Specifically, sub-goal 9.2 aims to "significantly raise industry's share of employment and gross domestic product (GDP) by 2030, in line with national circumstances, and double its share in least developed countries.".

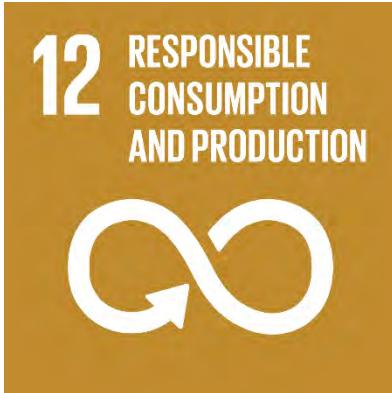
We assess progress by tracking our created production capacity per year.

2023



MONTHLY PRODUCTION CAPACITY IN 12,000
EUROS BY ACT IN 2023.

OUR INDICATOR TO MEASURE OUR IMPACT ON CIRCULAR ECONOMY: AMOUNT MATERIALS RECYCLED



The target of the SDG 12 defined by the United Nations is „Substantially reduce waste generation through prevention, reduction, recycling and reuse“.

We assess progress by tracking the tons of materials recycled. In our case it is textiles.

2023



37
Tons

TONS OF MATERIAL (TEXTILES) RECYCLED BY ACT.



5. BUSINESS DEVELOPMENT

Business Development

DEVELOPMENTS IN 2024

Biggest achievements in Q1/2024:

1. Showcasing circular fashion stand at United Nations Environmental Assembly Conference at the UN HQ.
2. Visit of Dutch ambassador and Vice Minister to ACT office
3. Secured new location in Baba Dogo, where we do more detailed sorting, expand our upcycling operations and receive and send containers.
4. New product testing at Nairobi design Week



Politicians at ACT

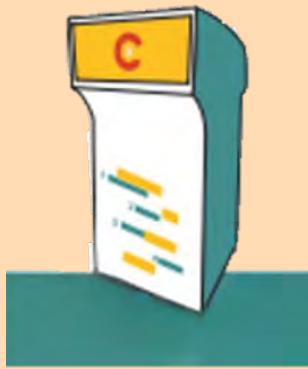


ACT at Design Week

Business Development

ADDING RECYCLING TO OUR VALUE ADDING

Collection of Used Textiles



What?

Used Textiles, Uniforms & Cut-offs

How?

Drop-off point, pick-up services, market collection

Price: 0.20-0.25 €/kg

Sorting of Textiles



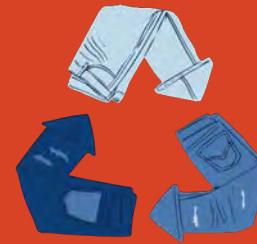
What?

Sorting into wearable items | Non.wearable items

How?

At ACT location in Nairobi by ACT employees

Recycling Textiles



What?

- Shredded shoe soles granulates
- Fibres, pillow filling and felt
- Sorted and cleaned textiles for cleaning rags

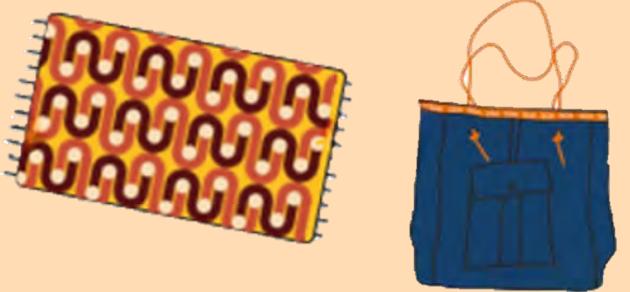
How?

Implementing a shredder

Price: 0.50-1.50 €/kg

2024

Upcycling Textiles



What?

Upcycling Denim, Uniforms & other non-wearable Items

How?

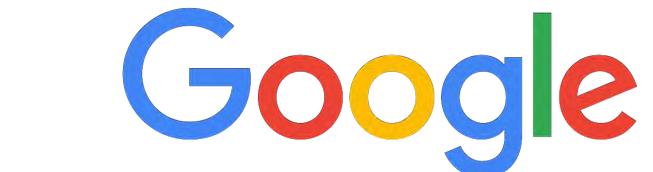
Weaving carpets & baskets, sewing backpacks, pillow

Price: 0.50-1.00 €/kg

Business Development

ACT PARTNERSHIPS

ACT values the benefits of partnerships and collaborations, and is thrilled to have a diverse network of partners ranging from investors and textile suppliers to sales associates. We are grateful for these outstanding collaborations and look forward to continued great partnerships and welcoming new partners in 2024.





6. TEAM

ACT FAMILY



THE TEAM

The ACT team of pioneers is put together with the utmost care.

Love for sustainable fashion and nature conservation is deeply rooted in our hearts.

Our Values



Integrity



Accountability



Transparency



Goal
Focused



Determination



Ethical
Practices

IMPRINT

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Marurui-Along
Next to Marurui Primary School,
Nairobi, Kenya

W: <https://africacollecttextiles.com/about/>

E: info@africacollecttextiles.com

T: [+254\(0\)719107668](tel:+254(0)719107668)

