

The **ESPR** countdown: How European fashion retailers can prepare now

Turning **overstock into opportunity** with better inventory management ahead of the **Ecodesign Sustainable Product Regulation** deadline

Just 30 days left:



The countdown to the ESPR deadline starts now.

For many European fashion retailers, ESPR marks the end of business-as-usual when it comes to managing unsold inventory.

Starting July 2026, large companies will be **prohibited from destroying unsold goods and required to report what they discard and why.**

While daunting, it's also an opportunity to evolve toward **more agile, efficient and sustainable retail models** that are better for the planet and for your business.

We offer some **practical advice** for reducing overproduction and waste starting with the inventory you already have to **stay compliant and competitive.**



The ESPR at a Glance



Key Terms

Destruction ban = No more discarding unsold stock

Transparency = Track and report all unsold goods

Circularity = Optimize product lifecycle to reduce waste



The hidden waste in fashion today



Before we talk about solutions, let's talk about the sources of excess

- ✗ *Inaccurate forecasting → wrong buys*
- ✗ *Rigid allocation → stock piles in the wrong places*
- ✗ *Siloed systems → no visibility or agility to react*
- ✗ *Short selling windows → high markdown pressure*

Each of these contributes to excess inventory, which often ends up destroyed... Exactly what ESPR aims to stop





The shift to better inventory management

To meet ESPR obligations, you'll need to avoid waste before it happens.

This starts with better in-season management. Traditional, inflexible approaches depending on reactive end-of-season discounting won't cut it any more.

With AI-driven demand forecasting and optimization, fashion retailers can:

- *Predict demand more precisely for each SKU/store combination*
- *Automate inventory moves throughout the season*
- *Adapt dynamically to ongoing sales patterns*
- *Gain insight into realistic production levels for upcoming season*



Inventory decisions shouldn't be static and based solely on year-old plans. With tech like Nextail, decisions become continuous, changeable and ongoing throughout the season based on actual demand



How **Nextail** Helps fashion retailers prepare for ESPR

Nextail turns inventory data into an opportunity for more sustainable operations.

Challenge

Overstock risk

Poor store alignment

Deadstock build-up

Markdown dependency

Limited visibility

How Nextail Helps

Distribution optimized for highest likelihood of sale

AI-driven first allocation & replenishment

Dynamic reallocation between stores

More full-price sell-through, less waste

Centralized inventory insights in real time

**Result: Fewer unsold items. Less waste.
Greater ESPR compliance**

News



World Economic Forum names Nextail a “Tech Pioneer” for enabling more sustainable operations

Nextail was named a Technology Pioneer by the World Economic Forum for its role in enabling smarter, more sustainable retail operations.

This recognition highlights Nextail's contribution to advancing circular economy principles through artificial intelligence, predictive analytics, and automation in fashion inventory management.

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Major fashion retailers are using **Nextail** to reduce unsold stock well ahead of ESPR deadlines

Increase
full-price
sell-through

Reduce
coverage &
discounting

Save thousands
of garments
from destruction



A circular fashion model starts with **smarter inventory management**

Don't wait for the regulation to force your hand!

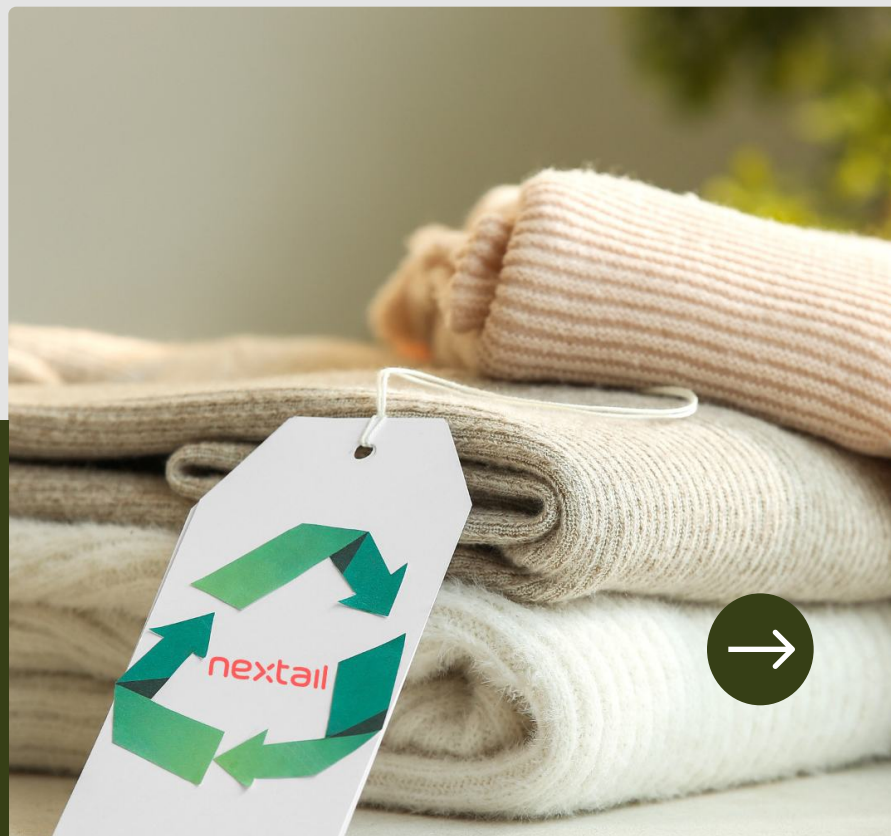
With just one year until ESPR goes into effect for large companies, the time to build resilient and sustainable operations is now.

Whether you're looking to:

- Reduce waste
- Improve margins
- Scale operations
- Alleviate teams from manual work
- Comply with ESPR

Or all five...

Nextail can help you transition toward a more circular and intelligent fashion retail model.



Let's talk about your ESRP roadmap!

*Ready to take on ESRP and more
sustainable fashion operations?*

Contact us!



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