Zero Waste Live!

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THE RISE OF PACKAGING FREE SHOPS

Larissa Copello

Consumption and Production Campaigner,
Zero Waste Europe

PACKAGING FREE SHOPS IN EUROPE

How to make packaging free shops go mainstream?

Larissa Copello - Consumption & Production Campaigner at Zero Waste Europe

- A pioneer study on the state of packaging free shops in Europe, which evaluates the state of play and potential future growth scenarios for the sector in Europe
- **Recommendations the case for the European Union and Member States to put in place a set of legislative and economic measures to support expanding the packaging free shops market.**

Packaging waste in Europe

In 2017, 173 kg of packaging waste was generated per inhabitant in the EU.

The packaging sector is the biggest contributor to plastic waste, generating around 17.8 million tonnes in Europe in 2018, accounting for about 60% of post-consumer plastic waste.

Scope & data analysis

- The focus has been on shops where products that are offered for sale are predominantly packaging free. In other words, customers bring their own reusable packaging, and products are sold by weight or volume. These types of shops are commonly smaller, locally owned, or linked to specific producers.

- Shop data was gathered through a survey distributed to 268 packaging free shops across Austria, Belgium, Bulgaria, Czechia, France, Germany, Latvia, Slovenia, Spain and Ukraine.

Data collected from the survey of shops has also provided a range of insights into the economic, social and environmental context of packaging free shops:

There is a strong increase in job growth within the sector, with modelling presenting a mean estimate of **10,000 jobs** in packaging free shops across Europe in 2023[4]

Estimated EU wide avoided packaging in 2023 as a result of packaging free shops is approximately **5,500 tonnes**[5]

Packaging free shops estimate to have avoided, on average, **1 tonne** of packaging per year per shop[6]

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Approximately **70%** of products within the shops sampled are packaging free

Mean shop turnover is around **€170,000,** although this does vary from country to country. There is evidence that average shop turnover has increased over the past 3 years

74% of shops are located in city centres, whilst **6%** are located in villages and rural areas

Data collected from the survey of shops has also provided a range of insights into the economic, social and environmental context of packaging free shops:

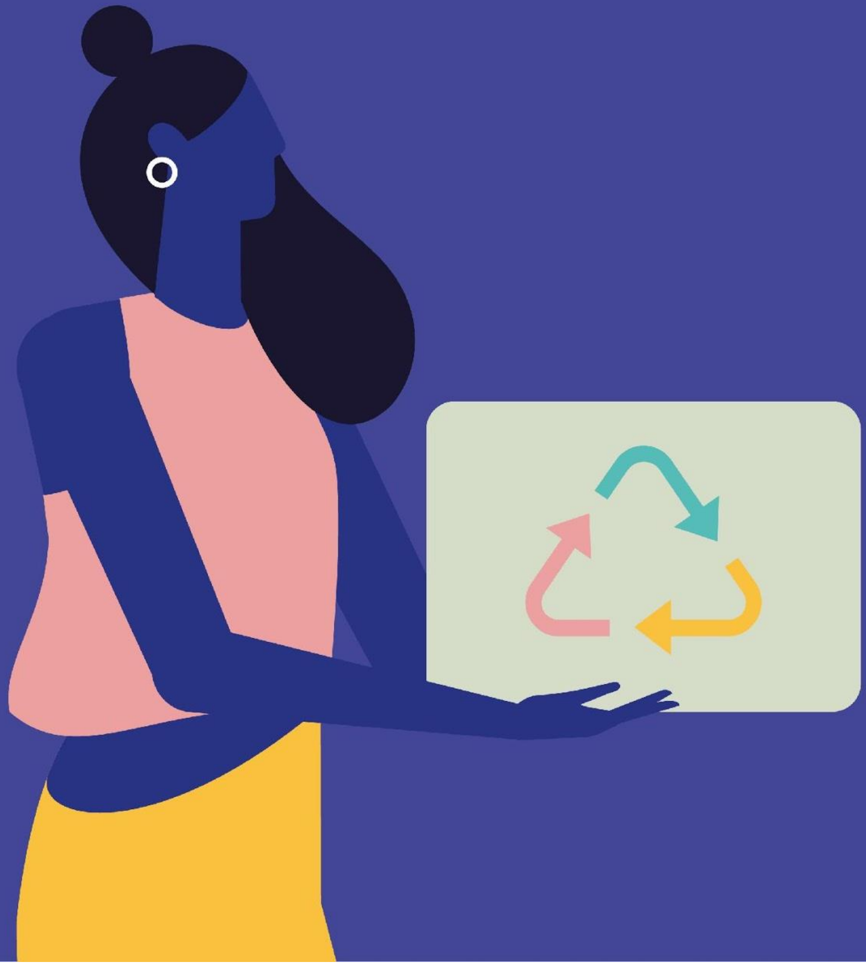
Food and drink products are the **most sold**, followed by cosmetic products, cleaning products and zero waste accessories

Packaging free shops prefer to **source from closer suppliers:** evidence has shown that as the distance between the shops and their suppliers increases, the quantity of goods sourced decreases

Further data and the methods applied to arrive at these estimates can be found within the full report.

What’s the state of play and the potential growth for the packaging free shops market?

Overall, very strong growth in the sector has been identified, with increasing numbers of shops, jobs and sales turnover achieved over the past 5-10 years. Long term forecasts, whilst speculative, present a **mid-estimate EU market for bulk goods of €1.2 billion in 2030, and a ‘best case scenario’ of over €3.5 billion.**



Main barriers restricting growth in the sector

1. Better reflection of the full costs of packaging
2. Clarity and harmonisation of bulk selling regulations
3. Development of supply chains

1. Better reflection of the full costs of packaging

Disposable packaging being effectively ‘subsidised’, because true end-of-life costs, including ‘external’ costs associated with mismanaged packaging (such as pollution/littering) are not at present adequately reflected in the price of the packaging

2. Clarity and harmonisation of bulk selling regulations

A lack of clarity and consistency of application from regulators, in respect of how bulk sales are defined, and practices relating to food hygiene for packaging free shops

3. Development of supply chains

Supply chains not yet being fully developed for the packaging free model, meaning they are much less efficient than the ‘mainstream’ supply chains for packaged goods.

Policy recommendations

Making packaging-free products and reusable systems go mainstream will require a level playing field with disposable packaging, while today the latter doesn't internalise the costs.

This requires introducing appropriate and effective incentives to producers to develop new ways of bringing their products to the consumer through waste-free business models.

EU Policy Framework on packaging

- The European Commission, through their Communication on the European Green Deal and the new Circular Economy Action Plan (CEAP), have confirmed their intention to focus on prevention and reuse, including the support to new business models and systems that prevent environmentally harmful products from being placed on the EU market.

- The Waste Framework Directive (WFD) and the Packaging and Packaging Waste Directive (PPWD) have been revised in 2018 in order to provide the right support for a real system change in the economy, focusing on prevention and reuse.

Policy recommendations (EU Level)

Moving the EU single market away from disposable products and reducing packaging waste generation will only happen if the biggest barriers for waste prevention and reuse are addressed. This can be done by:

- Set an **overall cap on the amount of single-use packaging material** put on the EU market;
- **Restrict the use of some packaging** types/formats for certain applications, in particular **where reusable products or systems are possible** or consumer goods can be handled safely without packaging.
- **Set binding sector-specific reuse/refill targets** for sectors where reuse and refill are already being explored, such as the food and beverage ones.
- Ensure better design of packaging by:
    - Introducing **sector-specific harmonised packaging formats**, also called 'universal' packaging formats
    - **Reducing the complexity of packaging** materials (e.g: less layers, materials and polymers used);
- Introduce **minimum mandatory green public procurement (GPP) criteria and targets** for packaging

Policy recommendations (National Level)

Beyond the EU level, national measures are critical and we believe **the transposition of the SUP Directive** is a good opportunity for Member States to go further with the inclusion of waste prevention measures and facilitate the development of reuse models by:

- Ensuring **EPR schemes are implemented with modulation of fees** covering the full end-of-life costs of all packaging, including clean-up litter costs;
- Establishing a **dedicated fund** where at least 5% of the **EPR fees** collected are invested in subsidies for **waste prevention and reuse systems** (such as packaging free models);
- Enlarging the consumption reduction targets to other single-use packaging formats;
- Reducing or removing taxes on packaging-free and reusable/refillable products;
- Applying **deposit return scheme (DRS) policies** (beyond beverage and with refillable quotas);
- Introducing **economic incentives for packaging-free and reusable products and systems to overcome barriers to entry**;
- Reviewing **public procurement standards** to incorporate bans on single-use items, and targets and incentives for packaging-free and reusable products

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THANK YOU !

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