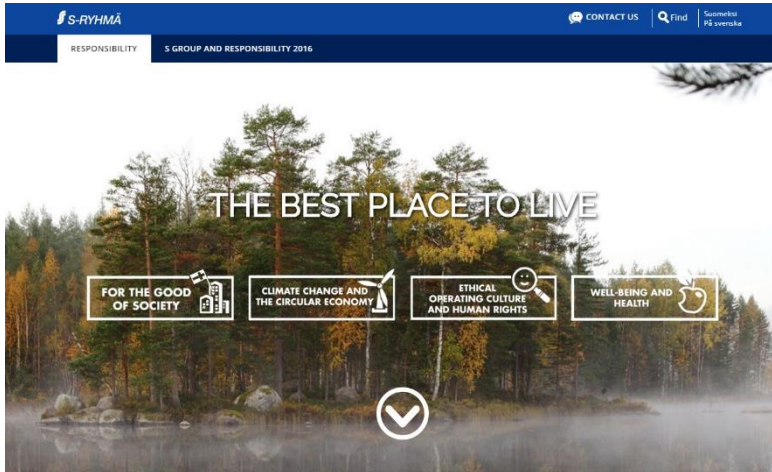


Circular economy and consumer co-operatives: a magnificent pair



When in December 2015 the European Commission released the **Circular Economy Package**, the provisions contained therein did not find Euro Coop members unprepared. The document, which is still currently under negotiation by EU Member States, stipulated in fact a broad series of measures on how to curb waste and realise a **paradigm shift from a linear to a circular economy**: two topics

which European consumer co-operatives had already long discussed on an internal level and with some among them – e.g. the S Group in Finland - having released **full-fledged circular economy strategies**.

Being **ethics-based retailers**, which found their operations on **values and principles**¹, consumer **co-operatives bear sustainability in all its dimensions – economic, social and environmental – at the core of their action**. And it is precisely on the axe of environmental sustainability that Euro Coop members have developed an in-depth reflection on what ‘circular economy’ means and what it takes for it to be implemented.

One of the main conclusions is that **the throw-away society that we currently find ourselves into has its days numbered and that it is no longer the time to speak about ‘waste’ but of ‘reusable resources’**. Being retailers mainly active in the food area, consumer co-operatives members of Euro Coop translated this precept into action to counter and transform waste and rethink how current production and consumption patterns take place.

- *Bold action on food waste*

The appalling figures we have all heard several times now stating that **one third of the purchased food in Europe goes to the bin** have shocked many and prompted a broad reaction from public and private actors alike. Consumer co-operatives have not stayed still; quite on the contrary, they’ve intercepted the unethical trend to reverse it to the benefit of society and the planet.



¹ <https://ica.coop/en/whats-co-op/co-operative-identity-values-principles>

Among the numerous actions undertaken in store, some of the most effective regard **packaging innovation, storage instructions also on unpacked food, a change in promotional activities, price policies and action on portion sizes**. For example, the Co-op in the UK has introduced a plastic packaging for tomatoes which has been punched using computer-guided lasers, resulting in a better control of moisture levels and fewer tomatoes wasted. The Coop in Denmark found out that selling **'single' bananas**, thus not in bunches, led to a significant decrease in the amount of bananas wasted, a 'trick' then adopted also by other retailers. A shift from volume-led deals ("buy one get one free") to value-driven promotions ("half-price offers"), harmonisation of price reduction practices allowing products approaching the "best before" date to be sold at a discount and making available different portion sizes suitable for different types of households are all measures which have greatly contributed to the wished change.



Consumer co-operatives then also operate, among others, on the principle of education, training and information. This means that **their action goes well beyond the store and translates into a broad spectrum of activities aimed at changing consumer behaviour at home and in society.** On the issue of food waste, consumer co-operatives have for example launched numerous campaigns, edited a wide range of publication materials and carried out educational activities in schools.

One of the most recent ones is the campaign jointly run by Hispacoop and Eroski: **"Join sustainable consumption: Reduce, Reuse, Recycle"**, aimed at raising consumer awareness on the issues of food waste reduction, resource reuse and correct leftovers and general litter disposal. Up North, the S Group in Finland has coupled its ongoing actions with the **pledge to reduce food waste** produced by its own operations by 15% by the end of 2020, whereas in Italy, the local consumer co-operative runs since more than 40 years now the programme **"Coop Knowledge" ("Sapere Coop")**, which develops educational materials for schools, employees and consumer-members aimed at raising awareness among the broader citizenship about healthy and environmentally sustainable lifestyles. Finally, consumer co-operatives have been pioneers in the development and use of apps to help consumers reduce food waste and called many competitions for innovative ideas to curb it.

All action has been centred on **restoring the value of food in all its dimensions**: the relevance to know how to handle it, its origin, the role it has in a balanced diet, the cultural context in which it is consumed and, of course, all useful advice to avoid wasting it. Knowing the difference between 'best before' and 'use by dates', increasing knowledge about how to store food, including the adequate fridge temperature for the different kinds of foods and defining clear shopping lists are just a few of the many tips given in the context of these activities.

Last but not least, **consumer co-operatives have been frontrunners in establishing sound links with food banks and charities** – Coop Norway was for example proactively engaged in the setting up of the **first Norwegian food bank** - , and advocate for any change in legislation that could make it easier and cheaper to donate food or to reintegrate the production circle for other uses. From its side, Coop Denmark sends all its organic waste to **biogas production** instead of incinerating it. The whole Coop Denmark network is now involved in the organic waste collection, thereby saving 10,000 tons of CO₂

annually and heating 5,700 households. In Italy, the Italian consumer co-operative has started the project “**Buon Fine**” (“To the Good End”), aimed at donating food surpluses to charities, already back in 2003. Through this project, in 2016 Coop Italy donated 6,000 tons of food to 943 charities, which could in turn provide 7 million meals to people in need.

This is only one of the many initiatives carried out by consumer co-operatives at European and State level. Others include a **vocal call for a unified definition of what is actually meant by food waste and, stemming from this, legal clarity on its use and destinations**. Another pledge made from across the board regarded the **need to clarify the difference between, for example, ‘best before’ and ‘use by’ dates**. Consumer understanding of the distinction between the two labels resulted to be pretty low and at the origin of large amounts of wasted food.

- Packaging and packaging waste

When speaking about the circular economy, consumer co-operatives’ action does not stop of course to the realm of food waste and extends to any kind of waste. **Plastic waste has been long under the radar for example**, with many initiatives aimed at curbing it. One of the most well-known is the **replacement of single-use plastic carried bags with the so-called ‘Bags for Life’,** made in cotton or other fibres and aimed at being reused over time. Several of these bags have been designed by famous fashion artists, also becoming often iconic style objects. Also, in many cases the fibres used were organic and Fair Trade, for social and environmental sustainability to be genuinely coupled. Other initiatives directed at reducing plastic waste include the promotion of deposit schemes and campaigns aimed at privileging water from the tap over water in plastic bottles.



Bold action on ‘eco-design’ is another big issue on which European consumer co-operatives have consistently been vocal on. Using the powerful tool of their own-brand products, many are the innovations realised in this domain. One of the most impacting is maybe the possibility offered by Coop Italy to open their own-brand coffee capsules “Tintoretto” after the use and separate the exhausted coffee from the packaging to dispose it together with the other organic waste. The Italian consumer co-operative was also the first one on the

Italian market to sell FSC-certified toilet paper without the inner tube (“**Zero Tubo**”). The inner cavity is filled with another, smaller, toilet paper roll. This small shrewdness allows a saving of approximately 25 tons of paper per year.

On the broader issue of packaging, consumer co-operatives have long advocated for **innovation and research** with a view to strike the right balance between functionality and waste reduction. Examples like the one mentioned in the food waste section to control moisture levels in the tomatoes packs is

just one among many. On the same line, Coop Netherlands has just recently introduced **biodegradable meat packaging** in a bid to help consumers reduce plastic waste.

Other relevant initiatives include light-weighting, right-sizing and down-gauging the packaging of own-branded goods so to optimise transport processes as well as warehouse and in-store availability, working with suppliers to define packaging requirements (shape and material) to minimise empty spaces during the transport process, in warehouses and on-shelf, making a progressively enhanced use of reusable transportation pallets and containers, eliminating potentially harmful substances in the packaging materials so as to facilitate recycling processes, optimising planning and backhauling activities, also for used materials, through an enhanced use of automatic ordering systems (“backhauling”) and reducing of multiple layer packaging.

One of the most comprehensive projects in this regard is Coop Italy’s “**Coop: Together towards a Sustainable Future**” (previously: Coop4Kyoto), which aims at carefully choosing and continually rewarding environmentally-sound suppliers. With regards to action at distribution centre and outlet level, consumer co-operatives regularly sort out a wide range of materials including among others cardboard, glass, steel, aluminium and plastic. These activities are however conditioned to the effectiveness of the existing infrastructure for separate collection in place in the different member states (MS).

As mentioned in the section on food waste, **for consumer co-operatives all action is always coupled with initiatives aimed at informing and educating consumers, members, employees and the society as a whole**. Other than the standard information and educational activities, in the case of packaging many associates indicate on their own brands how to dispose of waste after consumption.

- *Euro Coop’s demands to EU policymakers*

Strong of their action, values and principles, consumer co-operatives have put forward together with other stakeholders many demands to the EU Institutions, several of which are starting to be picked up throughout different policy streams. In some cases, this is happening building directly on successful experiences carried out at national level, like the “**Gadda Law**” to counter food waste in Italy. The law, fiercely advocated by Coop Italy, has introduced, a. o., several simplifications when it comes to food donation.

At EU level, significant progress has been actually made on the work towards a harmonised definition of food waste at EU level, co-ordination of data collection methods in the different MS, the setting of indicative targets for food waste reduction and action on the confusion created by “best-before” and “use-by” dates. In addition to that, **guidelines to facilitate food donation** in the EU have been recently adopted. These guidelines are aimed at helping donors and recipients of surplus food to make sure that they respect relevant requirements such as food hygiene and food information to consumers. They also promote common interpretation of EU rules applicable to food donation, including those related to VAT. This major achievement was the outcome of a joint work between the European Commission and the **EU Platform on Food Losses and Food Waste**: an initiative bringing together Member States, international organisations, industry, food banks and other charity organisations of which Euro Coop is a member.

Of course, Euro Coop believes that much more remains to be done and calls first and foremost upon a **paradigm shift in order for a true circular economy to come into being**. This entails for example the use of a **new lexicon when addressing the “waste issue” to mainstream the idea that there is nothing that in principle should be regarded as “waste” but rather as a new material which is to**

newly enter the productive circle. This thinking must be then made systemic and taken up across all policy streams.

In order to achieve this structural change, Euro Coop also advocates for **strong eco-design measures** on the production front, and for a broader uptake of theories related to behavioural economics on the consumption side. It is in fact essential to know the consumer more as he/she really is key to bringing about the desired change. Bold action on public procurement as well as initiatives to engage EU citizenship through multiple channels – e.g. by supporting awareness-raising campaigns or working on the ground with public authorities – are also key.

- *Bringing it all together, paths for the future*

Euro Coop believes that a paradigm shift in the way in which the waste issue is currently dealt with at EU level should occur: **a change that should encourage EU society to move from the concept of “waste” to the one of “recovered and surplus resource” which can be re-introduced in the productive circle.** This **lexical conversion** should then be translated into the design and implementation of an ambitious, comprehensive and not-conflicting set of policies, able to create the material and cultural infrastructure on which to build the road to a true circular economy in Europe. Creating partnerships and networks to uphold the challenge is equally important for the change to become systemic.



In framing this process, consumer co-operatives should be considered as key partners by virtue of the peculiar and yet universal business model they represent. Being in fact consumer-owned and democratically controlled enterprises which base their market operations on values and principles like, for example, intergenerational solidarity, concern for the community and for the environment, they should be regarded as privileged counterparts within the business arena. Their very structure in fact prevents them from embarking in any green washing action, thereby ensuring a true commitment to implementing a grassroots circular economy. This is ultimately all the more important in the context of the Sustainable Development Goals, several of which rely on a resolute action to bring it forward.

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