France Takes Producer Responsibility to New Levels

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Buying less stuff is one of the most obvious ways for consumers to reduce their own waste. But it turns out that even *not* buying stuff can generate waste. Every year, producers and retailers send millions of unsold products directly to the landfill or incinerator. Now, France is doing something about it.

In what may be the first law of its kind in the world, this year the French parliament banned companies from throwing away many kinds of unsold goods. Instead, producers will be required to reuse, redistribute, or recycle unsold products.

Business as Usual

Despite the existence of outlet malls, it's something of an open secret that fashion companies often destroy unsold merchandise rather than discount it. They don't want to sacrifice a brand image of scarcity and exclusivity.

In 2018, the fashion company Burberry burned \$38 million worth of products. But it's not just a high fashion problem. Fast fashion brand <u>H&M was criticized</u> for destroying unsold clothing back in 2010, and more recently, even <u>Nike has been caught</u> in the act.

In fact, it's not just a fashion problem. A <u>documentary</u> revealed that Amazon destroyed more than 3 million products – from electronics to diapers – in France last year. Unsold goods worth more than \$900 million are destroyed in France each year.

The French Law

The <u>new law</u> is much broader than a simple disposal ban. It includes more than 100 sustainability measures to be implemented by 2023. These include the elimination of automatic paper receipts and an end to single-use plastics at fast-food chains. But the ban against the disposal of unsold goods is the most attention-grabbing and innovative.

France is home to many global high fashion companies that will now have to find more environmentally friendly ways to maintain the exclusivity of their brands. But the law will also apply to electrical items, hygiene products, and cosmetics. And, according to the French government, it is the first law of its kind in the world.

The famously frugal French are leaders in <u>producer responsibility</u> and waste reduction. They already have laws requiring clothing manufacturers to contribute to the cost of <u>end-of-life product disposal</u>. And a few years ago, France passed a waste prevention law <u>affecting grocery stores</u>. French grocers are now required to donate food when it reaches its sell-by date. As a result, many French retailers, such as <u>Carrefours</u>, have begun campaigning to reform the misleading "sell by" dates that

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confuse consumers and encourage them to dispose and replace perfectly safe food.

Legal Limitations

However, the new unsold goods law is not perfect. When the bill was first <u>debated last</u> <u>year</u>, it included a measure that would require financial penalties or prison time for the destruction of unsold goods. However, unlike previous grocery laws, the final version of this new law does not include penalties for noncompliance.

So it is hard to say whether manufacturers and retailers will participate in the new requirements at all, especially if disposing of products remains less expensive than donating or recycling them.

COVID Complications

The first clauses of the bill are not intended to take effect before 2021, and full implementation is not scheduled to take effect until 2023. With so much attention directed to the pandemic, there is no telling whether companies have begun to seriously consider how they will manage the new requirements. It could be that this initiative, like so many others, will be abandoned in the wake of the pandemic.

On the other hand, as the pandemic has devastated sales of <u>iconic French food items</u> like Champagne and foie gras, producers have scrambled for new distribution options. Presumably, they have already practiced this skill as a result of the 2015 grocery law. The reactions of fashion houses have been more mixed. While some are <u>raising prices</u> – a tactic likely to result in more unsold merchandise – others have <u>canceled manufacturing orders</u>.

Hopefully, when those companies resume manufacturing, they will do so with an eye to avoiding overproduction. After all, eliminating overproduction is the ultimate goal of the unsold goods law in the first place.

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