Policy Brief 2:5

Excerpt from the Swedish report Konsumtionens gränser. (The Limits of Consumption)

Product Destruction: How Is It Possible, and How Can It Be Prevented?

Every year, millions of fully functional products are discarded before they ever reach consumers, even though we are in the middle of a combined climate and resource crisis. In new research, we map why product destruction occurs, which business strategies and regulations enable it, and how different actors can help break the pattern.

Why are fully functional products destroyed?

Product destruction involves deliberately discarding new, fully functional consumer goods, often through incineration or landfill, sometimes before they even reach end users. This practice occurs across various sectors but is especially common in textiles and electronics. In these industries, excess inventory, products that quickly become outdated due to fashion or technological changes, and a strong culture of customer returns are frequent. The outcome is an unethical waste of resources, where materials, energy, and labour are used to produce products that are destroyed without serving a purpose. Beyond environmental concerns, there is also a social aspect, as the abundance and disposal of brand new goods contrast sharply with unequal access to consumption opportunities.

Our study reveals that three main system-level factors lead to high volumes of unsold or returned products. First, many business models depend on a made-to-stock approach, where inexpensive goods are produced in large quantities to guarantee constant availability. Surplus inventory, meaning items that never leave the warehouse, is regarded as an expected and acceptable outcome. Second, product design is often characterised by poor quality and short lifespans. Products quickly wear out, become obsolete, or fail to meet consumer expectations, thereby increasing return rates. Third, consumer behaviour also contributes to product destruction, partly due to generous return policies in e-commerce. These policies have fostered a norm where people order multiple items with the intention of returning some. This return-friendly and unsustainable purchasing culture has contributed to a rise in waste.

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Several countries have introduced initiatives to curb product destruction!

Why are returns rising, and why are products being discarded?

Why are customer returns increasing?	Why is the volume of discarded products increasing?
Fast fashion and ultra-fast fashion	Brand integrity
Home delivery	Brand value
Generous return policies	Excess inventory as a business model
Online shopping makes it difficult to assess fit	Alternatives are economically unviable
Low-priced products	High costs of assessing resale potential
Low product quality and short product lifespans	High repair costs
Increased consumer sensitivity to quality and fit	Lack of knowledge or tools for repair

> Companies and consumers operate within societal structures where profitability, availability, and speed are rewarded. To reduce product destruction, we need to change business models and norms, not only deal with the consequences of destructive business practices but prevent them from arising in the first place.

Economic and strategic drivers

Why are many fully functional returned or unsold products discarded instead of being utilised? One primary reason is economic. It often costs more to inspect, potentially repair, and repackage an item than to simply discard it, especially for goods with low sales value. There is rarely a financial benefit in reselling a product that has already incurred costs through return handling. Another factor involves brand strategies. Many companies prefer not to sell their products at a discount or donate them, as they fear this will damage their exclusivity. This is especially true for luxury goods, but fast fashion brands can also be concerned that customers will delay purchases in anticipation of future discounts..

Paths towards reducing product destruction

Several countries have introduced initiatives to curb product destruction. France has introduced a ban on discarding unsold goods, although recycling remains an option. Germany has introduced reporting requirements and a duty to handle products responsibly. Belgium offers tax advantages for donations, for example, through legislation that exempts donations of non-food goods to the most vulnerable from value-added tax. These examples matter, but they are not enough. Our research shows that a broader and more effective policy mix is needed.Economic instruments could include taxes on product returns and unsold inventory, which would significantly raise the cost of excess goods and encourage producers to better match production with demand. This could, in turn, lead retailers to reassess their product ranges, identify items that frequently result in large volumes of unsellable goods or returns, and potentially remove such products from their selections. New laws and policy tools could establish requirements for higher product quality, stronger guarantees, and take-back schemes. Information measures might involve labelling for repairability and environmental impact. Investment is also necessary in the reuse sector, both in physical infrastructure and digital technologies.

Reducing product destruction demands systemic change!

Companies can act by reducing overproduction, improving product information, and introducing made-to-order models where feasible. They can collaborate with reuse actors and systematically use data to identify frequently returned products. Consumers can contribute by shopping more deliberately, avoiding unnecessary returns, and demanding products that last longer and can be repaired. However, it is crucial to recognise that both companies and consumers operate within structures that prioritise profitability, availability, and speed. Reducing product destruction, therefore, requires a system-level change. Policy needs to be designed to shift business models and norms, not merely manage the consequences of destructive practices, but prevent them from emerging in the first place.

Further reading – or ask questions using www.greenchat.se/eng

- Roberts, H., Milios, L., Mont, O., & Dalhammar, C. (2023). Product destruction: Exploring unsustainable production-consumption systems and appropriate policy responses. Sustainable Production and Consumption

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For further information, see:
www.sustainableconsumption.se/en

Reference to this text

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