

Collaborative Report on Sustainability and e-Commerce

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Sustainability in all its aspects is one of the most crucial issues of our time. The importance we give to our collective and individual impact on our planet, and on the people around us has never been greater and it has never been so needed. As part of a complex social, environmental, and economic ecosystem, businesses from all sectors have rethought the way they produce, the way they exchange, and how and what they sell to consumers. Businesses have become more and more aware of the role they play and their responsibility in fighting climate change, the rarefaction of resources and so on.

The e-commerce sector is a bridge between the digitalisation of our society and the transition to a more sustainable economy. It is a sector in constant and rapid evolution, shaped by new technologies, new ambitions and ideas, new demands, making it a sector capable of spearheading innovative sustainable solutions.

The growth of e-commerce should be considered an opportunity to structurally shift to more sustainable retail and consumption practices, as well as an opportunity to use the digitalisation of our society to make the transition to a more sustainable economy. The exponential growth of e-commerce may have raised concern on the specific impact of the sector on the environment, but it is important to keep in mind that it has also changed the way we shop for the better, and continue to offer new opportunities opened by the use of digital technologies. In order to make the right choices and leverage the opportunities offered by the sector, this needs to be fully taken into account.

The COVID-19 crisis has tested the resilience of our social and economic structures. Like no recent crisis before, it has shed light on the importance of ensuring everyone has the ability of staying connected, with their loved ones, their communities, and their local businesses.

Accessibility, affordability and connecting parts of the world were already topics shaping the growth of e-commerce. It has now become clear that a transition to a sustainable economy, and a digitalised society, has to be a fair transition. As a European association connecting people and ideas from across Europe, one of the key questions we ask ourselves is: How do we take this further? How do we capitalize on the path created by the first movers, and those that are already shaping our industry for the better?

In February 2020, Ecommerce Europe officially launched its Working Committee on Sustainability to allow its members to exchange best practices, network with international experts in the field, promote European cross-border lighthouse projects in the field of sustainability and highlight the positive role that e-commerce can play in making the world a more sustainable place – from an environmental, but also social perspective.

In this context, Ecommerce Europe has decided to launch a living collaborative report on sustainability and

e-commerce, where members can share a variety of information, studies, best practices, that can be a useful source of information for businesses and policymakers across the EU. This collection of documents sheds light on the role e-commerce plays today, but also the role it can play tomorrow, as we collectively continue to work towards a more sustainable future. Our ambition is to provide research and examples that can inform debates on this issue, which are often still detached from the reality on the ground and influenced by perception rather than facts.

This collaborative report has been drafted in cooperation with Ecommerce Europe's members and will be updated regularly throughout the upcoming years, to give a continuously updated snapshot of the state of the sector.

How products get to consumers' doors is a fundamental aspect of e-commerce. It is also a topic at the centre of the conversation on sustainability and e-commerce, and part of larger conversations about the future of mobility, urban planning, but also accessibility. e-Commerce logistics is therefore shaped by various developments, from the evolution of consumer expectations, the growth of omnichannel commerce or the development of key transport infrastructure.

Digitalization represents a clear opportunity for the e-Logistics sector. For example, Artificial Intelligence-based solutions can rationalize business processes through optimized transport routes and stock management, thus reducing their environmental impact. Investment, from retailers, service providers, but also public investment, is crucial to develop sustainable technologies and the underlying infrastructures. Public infrastructures have to create room for connected sustainable business models and governments must secure the necessary conditions for a more sustainable digitalization, from communication networks to multimodal transport.

In order to enable the growth of sustainable solutions and practices all over Europe, an informed assessment of the state of play and concrete examples of existing projects and commitment should guide the discussion around the role of sustainable logistics in e-commerce.

From the role of pick-up points and omnichannel solutions relying on the development of local, inner-city shops, to the use of new means of transportation, there is a number of solutions being explored to continue the transition to more sustainable delivery systems and practices.

e-Logistics is different from traditional distribution operations, and more complex, and often integrates omnichannel approaches that serves both e-commerce orders and store fulfilment. The question of sustainability and e-Logistics cannot be answered by addressing one angle of a perceived issue, or by addressing perceived causalities that would link e-commerce with phenomena such as CO² emissions and congestion. This also means any efforts to make e-Logistics more sustainable need to be guided by a holistic approach. This is valid not only for business strategies, but also for policymaking.

Sustainable e-Logistics optimizes the use of various infrastructures (public or private), means of transportation, or sales channels. IKEA is taking full advantage of omnichannel solutions and using their stores as fulfilment centres, while developing in parallel the implementation of their stores in cities to facilitate access for consumers. As part of its commitments to the EV100 (a global initiative bringing together forward-looking companies committed to accelerating the transition to electric vehicles (EVs)), the furniture company has also

set the following objectives for its operations:

- By 2025, IKEA aims for 100% home deliveries by electric vehicles or other zero-emission solutions including bike deliveries for small items and multimodal solutions such as rail and river-based transports. The company wants to reach this goal by 2020 in Amsterdam, Paris, Los Angeles and New York and has already met it in Shanghai.
- By 2025, all owned/leased/shared vehicles in IKEA's fleet will be electric vehicles or other zero-emission options.
- By 2030, IKEA aims to reduce relative emissions by 50% from co-worker and customer travel to its physical touchpoints.

The e-commerce platform eMAG, together with Sameday, a courier company member of the eMAG group, has implemented similar solutions in Romania. The group launched in January 2020 Green Delivery, a service through which parcels are delivered with 100% electric cars, a first for the Romanian market. All EVs are powered by 100% green energy, as both eMAG & Sameday's logistic centres near Bucharest are 100% powered by renewable energy and EVs are charged in these facilities before being deployed. The sustainable delivery circle is closed by the locker delivery solution, an automated delivery solution that, by its nature, greatly reduces carbon footprint as the courier takes on average 50 parcels with a single stop at a fixed point (locker) in the customer's proximity. eMAG projects that:

- Approximately 42,000 parcels are delivered in Bucharest via EVs by December 2020.
- 400 lockers are currently installed throughout Romania, with the locker network to reach 1.000 units by end-2020.
- 3.7 million parcels will be delivered via lockers in 2020.

These examples also show the importance of the place of delivery, whether it is at home, in lockers, in stores or pick-up points. According to a research made by TNO¹, commissioned by Thuiswinkel.org and Topsector Logistiek, collection points can lead to a reduction in CO² emissions in parcel delivery if more consumers use collection points and the accessibility of the points is increased. An estimation example is provided to illustrate the effect of pick-up points on parcel-level emissions, where under some realistic assumptions, a shift of some 50% from home deliveries to the pick-up points will result in 17% less CO² emissions in the last mile network and 33% less CO² emissions in last mile for the parcels delivered via the pick-up points, compared to the situation when all

¹ TNO, 'Effect of pick-up points and returns on CO² emissions in last mile parcel delivery networks', June 2020, available online [here](#).

parcels are delivered to the home addresses.

The report stresses that the use of such calculation methods is adequate for properly simulating last mile networks with respect to CO² reduction through the use of pick-up points. This method is therefore a useful indicator for service providers.

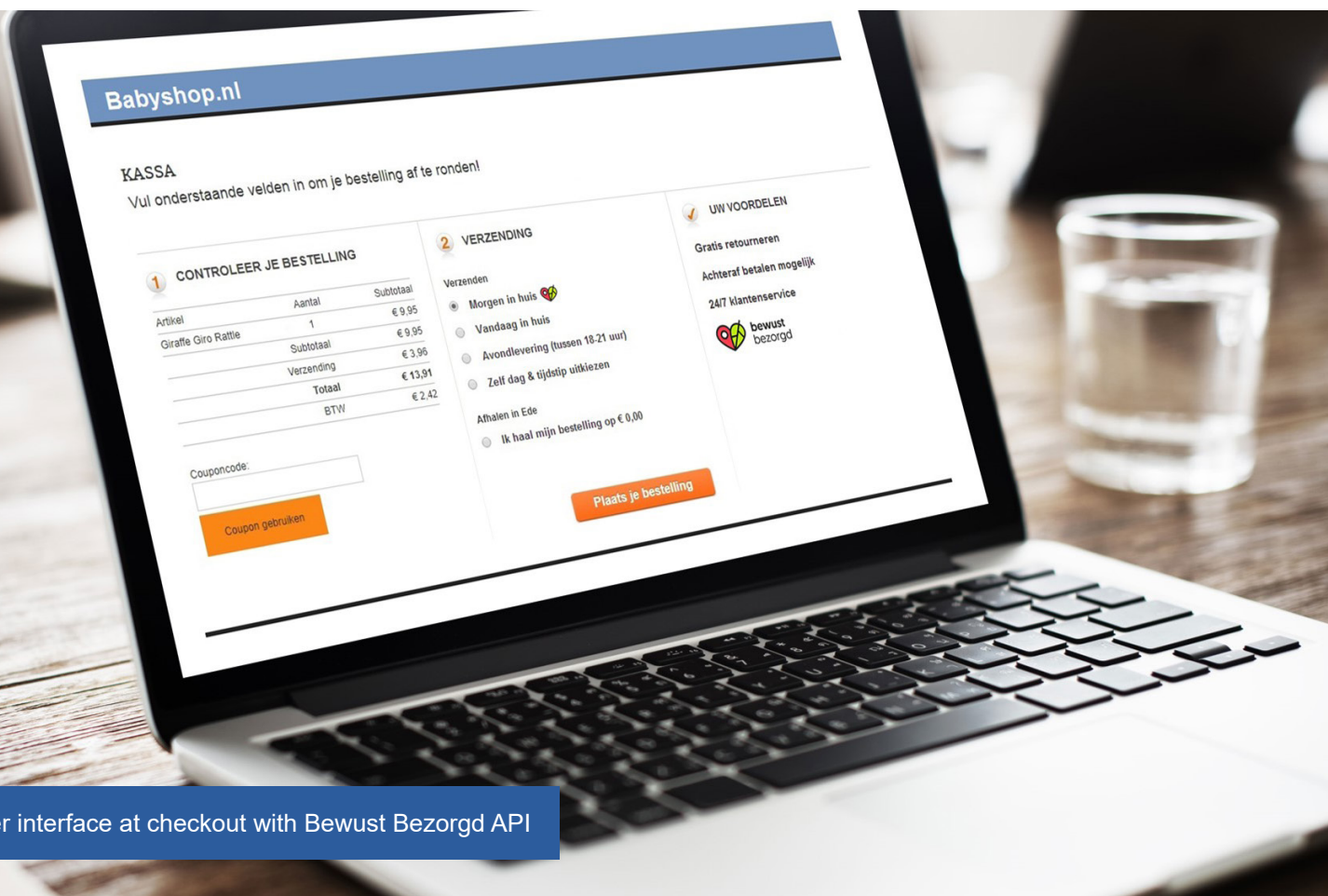
The study opens new opportunity for research and modulation that would better approximate the state of real-world last mile network.

The emergence and growth of e-commerce over the past two decades has provided consumers located in remote or otherwise traditionally underserved areas with access to a greater variety of products at more affordable prices. e-Logistics related discussions (on returns or delivery options more specifically) should always consider the impact on accessibility and ensure that access to more affordable and sustainable products does not become a privilege for urban population.

This type of information is particularly valuable to retailers and consumers. The more data is made available and translated, the easier it is for businesses and consumers to make the most sustainable choice.

With that in mind, the Dutch Ministry of Infrastructure and Water Management, Top Sector Logistics and Connekt, in collaboration with TNO and on behalf of Thuiswinkel.org have collaborated in order to develop the Bewust Bezorgd² project, consisting of a generic CO² calculation tool for the e-commerce sector that calculates how much CO² emissions are caused by sending a package. This tool can be used either by consumers, to choose the most sustainable delivery option, or by **retailers**, to have information on the sustainability of the courier they use. This was done in collaboration with large online stores such as OTTO, Wehkamp, Coolblue and bol.com and carriers PostNL, DHL and Dynalobic. The objective is to develop one generic measurement method ensuring that every webshop can calculate the CO² impact in the same way. Ecommerce Europe's member in the Netherlands, Thuiswinkel.org, is developing and keeping Bewust Bezorgd up to date together with Connekt and Topsector Logistiek.

² <https://bewustbezorgd.org/>



Consumer interface at checkout with Bewust Bezorgd API

The calculation of CO² emissions is based on several variables. Those include notably:

- the volume of the parcels shipped;
- the number of kilometres that each package travels;
- the means of transport used;
- the filling level of vans;
- the delivery option.

With an increase in the number of partners, projects like this one would become even more relevant. With that in mind, the calculation tool has been designed to be available to all webshops in the Netherlands, in the form of an API (application programming interface) that can be linked to the software of a webshop. By joining the project, retailers can access insights on the providers they use, but also help their consumers make informed choices when choosing their delivery method. Indeed, in order to efficiently translate the information gathered to consumers, simplified information at check-out can be provided to help consumers rapidly visualize what delivery option is the most sustainable for their order.

Something that is fundamentally clear is that making e-Logistics more sustainable requires cooperation between various service providers, retailers but also the public sector and academia. In the Netherlands, a joint research between Thuiswinkel.org and DHL found that space was wasted by the use of roll containers that were not adapted to the cargo space in the trucks. Because the roll containers³ were too short of about 70 centimetres, the top of the truck could not be filled with parcels, meaning additional delivery trips could have been avoided.



As a result of this joint research, DHL decided to make its roll containers higher in order to fit more packages and in turn reduce the number of trucks needed to proceed with deliveries.



As it will be further developed when addressing the question of packaging, it is important to create concrete synergies, through taskforces, consortia, in order to address issues that can only be dealt with through the involvement of the whole supply chain.

e-Logistics is also a sector where we can see the value of going beyond perceptions and invest in studying the impact of e-commerce. bevh commissioned a study in 2017 to contribute to the debate on the impact of e-commerce on traffic in German cities, which shows that figures for parcel delivery are lower than for the delivery to stationary shops and private transport, highlighting the fact that a solution to the traffic problems must include all traffic flows in order to make a sustainable contribution to traffic reduction⁴.

³ Home shop, 'DHL will transport more climate-friendly with the help of higher roll containers', 01 October 2019 (in Dutch), available online [here](#).

⁴ bevh, Summary of the results of the short study on the traffic impact of e-commerce in Metropolitan areas, 2019, available online [here](#).

The issue of packaging has been at the core of the ongoing discussion about sustainability in e-commerce. A product's package is often the first physical contact online consumers have with a product, a brand. It is also an issue influenced by concrete challenges, such as the protection of delivered goods – which of course also represents a concern in terms of sustainability and the need to protect goods from being returned and becoming unrepairable.

Given the more complex and interconnected logistics system of e-commerce, compared to traditional brick-and-mortar retail, e-commerce packaging needs to be functional, protect products, while allowing brands to implement their marketing strategies.

Packaging is also now a key element of what makes a retailer sustainable in the eyes of a consumer receiving a new product. While the impact of e-commerce packaging, in comparison to the total amount of packaging placed on the European market every year, remains limited, the sector has a responsibility to contribute to more sustainable practices and address consumers' concerns and expectations. In the Netherlands for example, it is estimated that e-commerce packaging represents three percent of the total packaging weight on the market⁵. The sector continues to make commitment to further reduce this impact. This means investing and developing new solutions and technologies to further improve the sector's contribution to a more sustainable future.

Retailers and their service providers have been exploring many different options to reduce their impact and address evolving consumer demand. These options can range from looking at packaging itself (from its design, volume, composition) but also at the larger supply chain (optimization of transport packaging, standardization...).

In order to reduce the impact on packaging, it is important to ensure that companies have access to the right information and the right data. Facilitating the setting up or the upscaling of pilot projects in various EU Members States and promoting the creation of taskforces gathering research institutes, service providers and retailers would represent a decisive step forward to ensure the development of sustainable cross-border solutions.

This goes hand-in-hand with exploring areas where legislation should be harmonized at EU level, to ensure the uptake of new solutions or packaging systems cross-border.

In Germany, Tchibo, Otto and Avocadostore have been testing reusable delivery bags since August 2020, as part of the three-year praxPACK project⁶, coordinated by Ökopol, the Institute for Environmental Strategies and funded by the Federal Ministry of Education and Research. The project aims to increase the dissemination of packaging

fit for the circular economy. Tchibo, Otto and Avocadostore are working together in a so-called "cooperation laboratory" with the aim to generate comprehensive findings by the beginning of 2022 on **how returnable packaging systems must be designed so that they are practical and economically viable, and which industry-specific and political framework conditions can support them.** Their experiences and results will be transferred into an online toolbox and made available to the e-commerce industry. In this way, sustainable solutions can quickly establish themselves in the sector.

In this first phase of the praxPACK project, the system developed by the company RePack is tested as of August 2020. The RePack reusable delivery bag is made of recycled plastic, can be folded by the customer to letter size and returned free of charge by post and can be used 20 times and more. Tchibo estimates that it could replace about 7.500 disposable delivery bags with RePack reusable delivery bags. Customers will be selected at random and a customer survey will be conducted in parallel to assess the acceptance of the system and possible improvements. The companies will especially look into the questions of customer acceptance, and the integration of this solution in the reduction of waste produced by switching from disposable to reusable systems.

Improving packaging requires an integrated approach, but also data, and investment in new technologies. If we look at strategies put in place by Amazon, we see that improving packaging encompass various projects⁷, such as:

- Creating new packaging box suite that better fits shipment. The move from boxes to flexible mailers means less trucks, and a more efficient use of resources. This goes hand in hand with the use of methods that can determine when a mailer does not offer enough protection at scale, and when padding is required.
- Using experts and new technologies like machine learning to calculate (via computational modelling and real-world testing) how much material can be removed from standard corrugate boxes and still keep customers items protected.
- Collaborating with manufacturers worldwide to help them innovate and improve their packaging, cutting waste and costs throughout the supply chain. Starting with specific performance data and metrics on each of the products manufacturers sell with Amazon, brand owners and its packaging team work together in Amazon's lab to create new packaging for a specific product and test it the same day.

⁵ Thuiswinkel.org, Goed verpakt, April 2019, available online [here](#) (in Dutch).

⁶ Tchibo, Test start with reusable mailing bags at Tchibo, Otto and Avocadostore, August 2020, available online [here](#).

⁷ Amazon, 5 things you don't know about Amazon packaging, 2017, available online [here](#).

Returns have always been an integral part of mail-order and now e-commerce. With the growth of the sector, the impact on the environment has been increasingly discussed. With questions of reversed logistics, reuse or waste, the question of returns belongs to the broader discussion on e-commerce and sustainability. This issue is also shaped by the expectations and attitude of consumers towards returns. Returns are intrinsically linked to shopping habits; they also vary from one sector to another. Another layer of the debate also focuses on what happens to the products once returned.

Through these various aspects of the question of returns, processes, consumer habits or reuse, retailers are exploring ways to address some of the concerns in relation to sustainability. This is an interesting issue at the crossroad between structural changes in consumer habits, and business-driven decisions.

The unprecedented period of confinement has provided an interesting case-study on returns and how consumer habits can impact return rates. The online retailers of the Otto Group in Germany have observed⁸ structural changes since the beginning of the COVID-19 outbreak in the purchasing behaviour of their customers and thus a significantly lower rate of returns. It is still open whether a generally more conscious purchasing behaviour will be established, which will lead to lower return rates in the long term. Customers of the Otto Group have been buying more consciously and in line with their needs, while spontaneous and, above all, expensive purchases are being postponed. Consumers are buying in particular articles from the household, electronics, furniture, DIY and gardening product categories, as well as products such as lingerie, home textiles and basic fashion with lower return rates. **This shift in product categories leads to a significant reduction of the return rate, although the increase in sales volumes means that the overall volume of returns is rising.** For example, the individual company OTTO has recorded a five-percentage point drop in the return rate for the past few corona months compared to the same period last year. One of the reasons for this is that, by comparison, home and living products are often purchased very deliberately and are therefore returned less often.

According to the Otto Group Director for Multichannel Distance Selling, Dr. Marcus Ackermann, *“the quality assurance measures of recent years, such as the optimization of product descriptions, the use of more authentic product pictures and other programs to avoid returns, [have also been] helping to reduce companies’ logistics costs.”*

8 Otto Group, ‘Corona is reducing return rates’, 31 July 2020 (in German) available online [here](#).

9 University of Bamberg, ‘Preventive returns management and return fees’, 11 December 2019 (in German), available online [here](#).

10 University of Bamberg, ‘Background of the returns disposal study evaluated’, 09 October 2019 (in German), available online [here](#).

Therefore, one of the key aspects concerns **the involvement of consumers in reducing returns**, focusing for example on the type of information that could be shared with them to ensure that the products they are buying fit their expectations, and that they are aware of the impact of returning the goods they bought.

In 2019, the University of Bamberg in Germany carried out an independent study⁹ on preventive returns management, exploring some options that could be implemented to reduce return rates. The study shows that online retailers are already making great efforts to minimize the number of returns. Making full use of all the classic technical means at their disposal, such as precise product descriptions, illustrations, or customer reviews, retailers already reduce the likelihood that a consumer will return an item because he or she is not satisfied with it.

The different options considered in the study raise various challenges, showing that the question of returns is a lot more complex than it first appears. In the fashion sector, online size advice services and the introduction of standardized size specifications binding for all manufacturers could potentially reduce the return rate, although it would still have a limited impact.

Another key element of the discussion around returns is what happens to the products after they have been returned. A frequent assumption is that returned objects are necessarily disposed of. According to a survey¹⁰ ran in Germany, the volume of disposed returns is actually very low, with a share in the per mille range (0.5%) - in relation to the average return rate of 12.1% determined by the research group for the overall market. The disposal is therefore the absolute exception and more than 50% of the respondents to the survey stated that their companies do not dispose of returns at all.

The respondents were also asked in detail about the reasons that prevent companies from donating returned goods instead of disposing of them. The answers varied according to the size of the company. However, it appears that tax reasons are considered particularly relevant by traders. These include, on the one hand, the administrative effort and uncertainty associated with the valuation of goods and, on the other hand, the fact that the VAT to be paid on donations exceeds the cost of disposal. Therefore, a more donation-friendly framework would help minimize the number of disposed returns (see below).

The growth of e-commerce represents a unique opportunity to rethink how to give a second life to secondary material and goods, extending the reach of second-use markets, enabling the development of reuse, repair, upcycling, or DIY markets.

If the way manufacturers produce new goods has a fundamental impact on the sustainability of a product, and therefore the opportunity for reuse, offering new markets for repair parts, used goods or upcycled goods reinforces the value of what merchants sell and directly contributes to the circular economy. The e-commerce sector has a key role to play in connecting businesses and consumers to find an outlet for second-hand products, or raw and secondary material. It offers the opportunity to ensure access to a large number and variety of spare parts, but also contributes to the growth of intermediary businesses proposing repaired and refurbished products, which are in fast-growing demands in the tech and parts sectors.

From early peer-to-peer platforms, to the booming online second-hand market encouraged by new platforms or applications, the e-commerce sector continues to drive more circularity by offering a second life to products.

Because of the opportunities that the second-hand market segment represents, it is crucial to build trust in these emerging sustainable trade options, and in general create a system of incentives that further promotes other aspects such as donations.

There are many ways of offering a second life to a product. One of them is connecting individuals so that someone's cumbersome belongings can become someone else's treasure.

The unprecedented period of confinement the world has been through has forced millions of people to look at their living space differently, leading many to sort out unused or no longer used items. According to a YouGov study¹¹ carried out in early May 2020, nearly 4 in 5 French people (78%) took advantage of confinement to sort their unused or no longer used items. Nearly 50% of French people had planned to sell their unused items online following the lifting of the lockdown and 32% say they have never used online sales before this unprecedented period. According to YouGov and eBay, French households estimate that they have more than 2 billion unused items hidden in their closets. In addition to the desire to get rid of unused objects (68%) and to make room at home (63%), more than 1 in 2 French people (53%) resell objects not or no longer used with the aim of giving them a second life.

For 2 in 3 French people, selling objects online is seen as an excellent way to fight waste. For 47% of them, it is also a good way to fight against overconsumption.

Refurbished products are also a growing market, with consumers opting for more price-conscious and environment-conscious behaviour in their shopping. It is also a key market for the circular economy, as the fastest-growing part of the refurbished market includes ICT products.

However, there are still certain challenges related to the growth of sustainable trade options like refurbishment. As no legal definition of "refurbished product" exists, these products are considered second-hand products under current EU Consumer Law, with corresponding limitations to consumer rights. A variety of commercial definitions and limited guarantees have appeared over time, leading to confusion and lack of trust from many consumers. To avoid further fragmentation and foster trust, the EU should take the lead in defining a European harmonized legal framework, including definitions, quality standards and related contractual rights on refurbished products. This would open further a market already expanding due to high consumer demand.

Another way to look at circularity is the creation of a market for unused raw or secondary industrial material. At production level, there is increased attention given to the re-use of fabrics, the recycling of plastic material and so on. e-Commerce represents an opportunity to open these markets further, by giving access to unused industrial material to consumers. With this in mind, eBay and VAUDE created in March 2020 an upcycling store¹², where the sustainable outdoor clothing brand can now sell residual materials via the online marketplace. The high-quality, robust and environmentally friendly PVC-free materials, which mainly come from the production of bicycle bags, are made available to everyone who likes to sew and wants to be creative. This means that leftovers and cuttings from production can be used sensibly instead of being carelessly disposed of.

The EU should consider how to incentivize more sustainable practices like the reuse of products by means of VAT reductions or exemption, such as exempting donations from VAT.

A member of the German e-commerce association bevH, innatura gGmbH, offers a platform¹³ on which such products can be donated to social institutions or non-profit organisations instead. However, their long-term experience

11 eBay, 'Deconfinement: Boom in sales between individuals', 20 May 2020 (in French), available online [here](#).

12 eBay, 'VAUDE and eBay start upcycling store', 03 March 2020 (in German), available online [here](#)

13 bevH, 'Donations instead of disposal', July 2019 (in German), available online [here](#)

shows that, while efforts for the accountancy, storage and transport are already considerable, the high tax expenditure represents the biggest obstacle to donations: two out of three companies interested in donating currently decide against the donation because of the uncertainties linked to VAT.

Therefore, together with Ernst & Young and innatura, bevh developed a manageable and pragmatic solution that is consistent with the EU VAT Directive. In the association's view, a national decree could create legal certainty for companies willing to make a donation and could finally lead to an exemption of donations in kind to charitable associations from VAT.

According to an order of the Supervisory Finance Authority of Lower Saxony of 22 December 2015, the value of a donation in kind naturally tends to zero when it comes to dead stock. As an example, they name food items shortly before their expiry date or non-food items with insufficient filling or mislabelling.

However, if the items are not unsellable because of manufacturing defects, transport damage or legal requirements (such as hygiene regulations), it is considered less "natural" to lower the value. This is the case when goods are in fact unsellable because of commercial considerations. This applies, for example, to clearances because of production surpluses, planning mistakes in logistics or if the goods cannot be sold fast enough, because they become old-fashioned or technologically outdated or because of sales restrictions by the manufacturer. According to a Greenpeace study, this can concern all product categories, but mainly affects the product segments 'fashion' and 'electronics'.

As, in principle, the VAT law provides that, when giving goods away for free, VAT is calculated on the initial purchase price plus ancillary costs (or, if not available, on the prime costs at the moment of donation) or the replacement or reproduction price, it entails legal uncertainty to use an assessment basis for VAT of € 0 in these cases. Although selling is just not possible any more or unprofitable, the difference here is that the depreciation of the product is linked to commercial consideration and not inherent to the product as such. Most entrepreneurs fear this legal uncertainty because they fear lengthy conflicts in company audits and finally high VAT back payments plus interests and hence often decide against donations.

bevh has been advocating for a German national decree followed by a change in legislation that creates certainty for businesses to encourage donations by allowing entrepreneurs to use an assessment basis for the VAT calculation of € 0 at the moment of donation if there is no relevant market for the goods. However, this must be on the condition that the item is really donated to a charitable organisation that only uses it for its statutory purposes. This can be proven by a confirmation of receipt

of the charitable organisation (not to be confused with an orderly charitable donation certificate, of course) and avoid that the item can be reintroduced into the economic trade of goods or value chain.

Consumers are crucial for the transition towards a more sustainable e-commerce sector. As an industry that is ultimately driven by meeting and anticipating consumer needs, it is imperative that the digital commerce sector adapts to rapidly changing consumer behaviour and expectations.

In the last years, a shift in consumer behaviour and expectations has taken place. In particular, it has become easier for them to make a sustainable choice when shopping. Consumers are generally more aware of the impact of their product choice and how they subsequently use and dispose of these products. When buying online, consumers benefit from increased transparency about product information. The expectation is that, in the coming years, in addition to being cost-conscious, consumers will become more and more environmentally aware.

It is important to monitor the evolution of consumers' behaviour to understand how to engage with them. The association [Thiswinkel.org](https://www.thiswinkel.org) introduced a survey that monitors consumer perception towards sustainable delivery and e-commerce related solutions on a daily basis. The survey demonstrates that consumers, when assessing the environmental impact of different delivery options, identify going to a 'brick-and-mortar' shop by car as the least sustainable option. In contrast, they find that online orders, when delivered by bicycle or picked up from a service point, are quite sustainable. Moreover, out of all aspects of the supply chain (e.g. working conditions, delivery, congestion in streets, packaging, product choice etc.) consumers single out packaging as the most important aspect for e-merchants to focus on in terms of sustainability.

However, the transition of the industry towards more environmentally friendly practices is not only driven by consumer preferences. In fact, a significant part of e-merchants' efforts take place behind the scenes, out of the sight of the consumer. Businesses are therefore always taking into account both how to improve the sustainability of the part of the business that consumers see, but also investing in making their operations sustainable.

Empowering consumers in making sustainable choices when shopping, and notably shopping online, is key to further accelerate the transition to sustainable retail. This can be achieved through providing certain types of information, but also new types of services.

Strengthening the role of consumers in the green transition is also at the core of the European Green Deal, with an upcoming review of EU consumer policy, focusing on information to consumers.

As the European Commission rightly points out, information to consumers must be reliable and useful. Any development on this matter should streamline obligations and ensure both coherency and flexibility to ensure cross-border trust and understanding from consumers.

The question of how to deliver information to consumers is also crucial. The opportunity of digitalization of product information should be explored and jointly defined by decision-makers and the industry. To go further, it is important to consider how to link the digitalization of product information with how data can be leveraged to trigger more sustainable behaviour. E-commerce generates knowledge – or data – on where a product is located, when it has been purchased and how to contact consumers. In the future, retailers will become able to provide consumers with information during the lifecycle of the product, from maintenance tips to advice on personalization, reuse, and waste management. Customers will in turn increase the lifespan of their purchases and reduce waste. However, complex privacy frameworks make it harder for consumers to allow processing of their personal data that would ultimately be beneficial to the whole planet.

e-Commerce also provides new opportunities to offer more sustainable ways of shopping, with services like sustainability filters for products on certain marketplaces. Retailers can also use product recommendations on their website to favour sustainable options. On IKEA's online shop, for instance, results from a search for its best-sellers will also display more sustainable options to help IKEA's customers embrace sustainable living. Artificial Intelligence-based product recommendations will help suggest products more fit for purpose, reducing returns and increasing use time.

Through this first edition of its Collaborative Report on Sustainability and e-Commerce, Ecommerce Europe aims at contributing to the discussion on our transition to a sustainable economy, but also to a digitalized and more inclusive society. We believe the challenges ahead are too important to be discussed without as many examples, research and testimonies as possible, from all parts of society. We have presented here, in a report that will be updated to include more contributions as we go, a snapshot of the reflection going on in the e-commerce sector and its ambition for a more sustainable future.

Sustainability and digitalization have been put at the heart of the European policy agenda, with a renewed, holistic approach through the European Green Deal. With initiatives spanning from sustainable transport to product policy, sharing of data and information, European policymakers have a unique opportunity to keep the continent at the forefront of the transition to a sustainable economy and a digitalised and inclusive society, as these evolutions cannot and should not be treated as separate challenges.

Ecommerce Europe will continue sharing and advocating for ambitious and innovative policies to further unlock the European economy's potential and keep Europe at the forefront of the twin digital and sustainable transition.

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