

The Time is Now

FMCG brands called to action on reuse models ahead of 2025 targets

The reuse model for plastic packaging presents untapped potential for environmental, commercial, and social benefits. With India's Plastic Waste Management Rules mandating reuse targets for brand owners starting in 2025–26, it is imperative for FMCG players to demonstrate stronger commitment by piloting and scaling adoption of reuse solutions, setting a benchmark for sustainable innovation in the industry.

Upstream Interventions Must Complement Recycling to Address Plastic Pollution Effectively

The United Nations is negotiating a legally binding international agreement aimed at transforming the entire lifecycle of plastics, from production and design to disposal. Global Plastics treaty is expected to take effect in 2025, incorporating measures to prevent, eliminate, and reuse plastic.

In India, trends in plastic consumption and recycling clearly indicate that focusing solely on downstream solutions will not be sufficient to end plastic pollution. Reuse is increasingly recognized as a key area of opportunity, offering the potential to significantly reduce plastic waste while encouraging

businesses and consumers to participate in systems that promote the return and repurposing of products.

Under India's Plastic Waste Management Rules, FMCG brands will be required to achieve defined reuse targets for plastic packaging, ensuring a specific percentage of their packaging is reusable within their supply chains. For rigid plastics, this target starts at 10 per cent for the year 2025–26, with progressive increases in subsequent years to drive a wider adoption of reusable packaging across the industry. Many FMCG brands might be strategizing to navigate compliance requirements by adjusting packaging sizes to fall outside the regulated 900 ml to 5-litre range. However, brands have an opportunity to demonstrate leadership by piloting reuse models, setting a benchmark for sustainable innovation, and signalling a stronger commitment to circular practices.

From Concept to Consumer: Defining Plastic Reuse Models for Retail Transformation in India

The Ellen MacArthur report outlines four business-to-consumer reuse models, each varying in its impact on consumer convenience: 1) refill at home, 2) refill on the go, 3) return from home, and 4) return on the go. 'At-home' reuse models could be implemented with minimal behaviour change, making them easier for consumers to adopt. In contrast, 'on-the-go' models may require more significant adjustments to established consumption habits.

While refills are somewhat familiar to consumers, return models would demand consistent participation and a significant shift in habits. Return models may be capital-intensive initially, as they require investment in durable, reusable packaging, logistics, and washing infrastructure. In the price-sensitive Indian market, the cost of implementing such a system may need to be absorbed either by the brand or through subsidies, partnerships, or incentives to avoid passing it onto the end consumer.

We must also note that refill plastic packaging solutions often bypass the informal sector—waste collectors, recyclers, and workers, which forms the backbone of waste management across the country. These refill models



focus primarily on reducing single-use plastic by promoting the idea of consumers bringing containers for refill at designated points, typically in formal retail environments.

In contrast, return models provide more opportunities to integrate the informal plastic sector. These models, which involve the repeated use of the same packaging (e.g., containers that are recovered, reconditioned, and refilled), can create new roles for informal workers. The collection, sorting, and cleaning of reusable containers can offer employment opportunities and integrate informal workers into formal systems. For example, informal workers can be part of the reverse logistics chain, ensuring that used packaging is returned and processed efficiently.

Unlocking Value: Scaling Reuse Models across the Retail Value Chain for Economic Impact

Significant economic value stands to be unlocked as reuse business models scale across the value chain, driving both cost efficiencies and reduction in plastic waste. Broadly speaking, reuse would shift value from the early stages of the plastic production cycle (materials extraction, manufacturing) towards later stages (sales, marketing, reverse



logistics, cleaning or reconditioning, refilling). It's important to recognize that manufacturers stand to benefit substantially from the shift towards reuse, particularly through opportunities such as "manufacturing as a service."

In recent years, government agencies, multinational bodies, and NGOs in leading EU countries have piloted models aimed at advancing a reuse-based system. However, with diverse stakeholders advocating for varying levels of ambition within these highly complex frameworks, alignment on a unified ambition level for reuse remains a challenge.

The Next Step for Indian Retail

In India, refill models—both refill at home and refill on the go—have been trialled, piloting scalable reuse systems for plastic packaging remains largely uncharted. The time is ripe for pilot programmes to test reuse models with different product categories and in urban centres where consumer awareness is high. In India's dynamic FMCG space, brands fall broadly into four key categories—food, beverages, personal care, and home care products. Each segment is distinct, shaped by consumer preferences, purchasing behaviour, and distribution models that respond to India's diverse demographic and economic landscape.

The food segment covers everything from packaged snacks, ready-to-eat meals, and staples to dairy and processed foods. Beverages category includes soft drinks, juices, bottled water, tea, and coffee. For the food and beverage sector combined, regulatory requirements for hygiene and food safety are stringent, as reused packaging must prevent contamination and ensure product integrity. Meeting these standards requires advanced cleaning and sterilization processes, which are both



costly and logistically demanding. On the other hand, personal care products such as haircare, bath and shower products, and general home care cleaning items—laundry detergents, floor cleaners, are indeed strong candidates for testing reuse models in India. This suitability stems from factors such as consumer willingness to adopt refillable formats and lower regulatory barriers compared to food products. For brands, reuse is likely to generate value through a deeper sense of connection with consumers, particularly those associated with admired principles of sustainability.

Gauging the tailwinds from Plastic Management Rules, it is only a matter of time before reuse models are established, supported, and scaled across major urban centres in India. To pilot the Reuse model, plastic packaging could be sourced from waste picker networks, scrap dealers, and reverse logistics systems in gated communities and retail outlets. Once collected, the packaging would undergo a thorough assessment to confirm its suitability for reconditioning, with non-viable materials directed to recycling. The reconditioning process would include decontamination, de-labelling, sanitization, and stringent quality checks, following SOPs co-developed with FMCG partners.

As previously noted, building new reuse business models may require establishing a comprehensive system for transportation, reverse logistics,

returns, refilling, and cleaning or reconditioning. According to the World Economic Forum's Platform for Shaping the Future of Consumption, the scalable implementation of reuse models necessitates a systems-change approach across the following dimensions:

Delivery model efficiency: Implementing shared reuse systems and optimizing short-distance logistics loops can facilitate scalable economics across a wide range of categories. A centralized infrastructure for shared resources effectively enables the large-scale distribution of reusable products.

Consumer experience: Consumers have access to a variety of reusables that compete with disposables on convenience and other measures of customer satisfaction. Consumers are provided with superior user experiences over disposables.

Technological advancement: Implementation of tracking solutions (QR codes, RFID, unique ID, etc.) enables life cycle tracking of the packaging and value-added services, extends the lifespan of containers, standardizes backend processes, and facilitates scalability.

Regulation: The establishment of mandatory quantitative reuse targets within the Plastic Waste Management Rules have provided a substantial policy impetus. The current Extended Producer Responsibility (EPR) certificate based model in India has faced ongoing

criticism for failing to encompass the full costs of plastic waste management. For reuse regulations to be effective, robust enforcement and monitoring mechanisms have to be implemented.

Cultural shift: A widespread cultural shift moves consumers and institutions towards reusables products while reducing reliance on disposables.

Demonstration of impact: Reusables demonstrate improvements on all prime economic, environmental and social impact metrics relative to disposables. Common reporting standards and definitions are established for reuse accounting.

Transforming Tomorrow: A Call to Action for FMCG Brands to Pioneer Reuse Solutions

A unified approach could enable reuse plastic packaging to reach a level of value that smaller-scale initiatives cannot achieve. In case of siloed circularity initiatives, consumers often face compromises on convenience or incur higher costs for innovative models, which renders such solutions unviable. However, at a larger scale, consumers are not forced to sacrifice convenience or quality; instead, they experience tangible benefits that extend beyond the intrinsic satisfaction of participating in a reuse initiative. Achieving large-scale reuse systems can be challenging, yet the benefits in terms of consumer acceptance, delivery efficiency, and overall impact would justify the added complexity.

For the successful implementation of reuse models in India, role of FMCG brands is critical. FMCG brands must seize the moment by actively imagining the reuse business opportunities and usher in a new age of consumer access to reuse models of consumption. ■

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