



No preferential tax treatment for production waste!

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The Green Dot, cleaning products manufacturer Werner & Mertz and NABU (Nature And Biodiversity Conservation Union) demand a uniform definition for plastic recyclates

The circular economy will be a – if not THE – central issue in environmental policy in the next decade. Unlike paper and glass, plastic has been recycled at a much lower rate for later use in the manufacturing of new products. By 2025, according to EU packaging directives, 50 percent of plastic packaging in the EU has to be recycled. Furthermore, because future losses from processing will no longer flow into the calculation of the recycling rate, the recycled amount of plastic packaging throughout Europe will have to almost double in the next few years from the current 4.6 million tons to about eight million tons. Considerable effort and an explicit political framework are required if proper plastic recycling is to achieve the goal of protecting the environment and raw materials.

The low recycling rate is attributed to the fact that it is much cheaper to use new plastic than recyclates. The economic consequences of the corona crisis have made the cost difference even greater. With the decrease in crude oil prices, the recycling rates also have fallen rapidly. According to a current survey conducted by the BDE, the demand for recyclates from packaging manufacturers is now 30 percent lower. For this reason, financial support of packaging which is completely or partially manufactured from recyclates is absolutely essential. That is stipulated by the Packaging Act, which went into effect in 2019, and also is addressed in the EU "plastics tax" on non-recycled plastic, which will apply in 2021. Here the definition of recyclate terminology is critical. If legal provisions set minimum rates for recyclate proportions in packaging or give preferential financial treatment to recyclate use, then what the regulations refer to has to be clearly defined and included in an amendment to the pending Circular Economy Act. A genuine circular economy requires that waste which accrues with the consumer is recycled at a high quality and put back into the product cycle. On the other hand, the recycling of production waste, also known as "post-industrial recyclate", does not help to counteract the plastic polluting of our planet.

Therefore, The Green Dot, Werner & Mertz GmbH (including the Frosch brand) and NABU (Nature And Biodiversity Conservation Union) demand a legally binding definition for plastic recyclates in which "post-consumer recyclates" (PCR) are given clear preference for support. Production waste, however, should not be recognized as recyclates eligible for support and should not be included in the calculation of future minimum rates for recyclate proportions in packaging.

If industrial plastic waste also is considered to be recyclates, many companies could decide in favor of this simpler and cheaper way, says **Reinhard Schneider, Managing Partner of Werner & Mertz GmbH**: "As the pioneer of high-quality use of PCR from the Yellow Bag, we know that the marketable solution we have developed for environmental protection will not prevail if industrial waste is incorrectly treated as something of equal value. Industrial waste, which results from inefficiency, can be processed more cheaply. The government should not subsidize that too. Consumers rightly expect sustainable offerings, not tricks."



Jörg-Andreas Krüger, President of the NABU, stressed how important recycling is for environmental protection. "To protect the climate and raw materials, we have to minimize our expenditure for packaging and put plastic into tight cycles. To that end, manufacturers have to design recycling-friendly packaging and use recycled material in high-quality applications. But all too often companies give themselves high marks for recycling by simply recycling their production waste. In the end they ignore their true product responsibility. To encourage more investment in technically challenging recycling of waste from the Yellow Bag, lawmakers have to support the recycling of these waste streams in a special way and establish a legal definition for plastic recyclates."

Michael Wiener, CEO of The Green Dot, goes one step further and says that the entire circular economy depends on the correct definition: "We will resolve the plastic crisis only if plastic becomes recyclable. To do so, we have to get to the plastic waste that arises with the consumer for whom recycling is a real challenge. The recycling of production waste needs no support, but the recycling of post-consumer waste certainly does. For this reason the distinction is fundamentally significant – and it will determine the success or failure of the circular economy for plastic."

All three agree that only a clear definition of recycle terminology can save the circular economy and thereby protect the climate and environment. The proof of origin could be provided by the RAL Quality Mark "% recycled plastic", which shows the percentage of recycled plastic materials from the Yellow Bag or Yellow Bin in the labeled products. The re-use of commercial and industrial waste is expressly excluded from the percentage data in order to create targeted incentives for the re-use of plastic materials from household waste.

NABU: NABU has been working for the benefit of people and nature since 1899. With more than 770,000 members and sponsors, NABU is the largest environment organization in Germany. Among NABU's main objectives are the preservation of habitats and biodiversity, the promotion of sustainability in agriculture, forest management and water supply, and climate protection. Core activities for the organization include providing the public with nature adventures and promoting natural history awareness. In the 2,000 NABU groups and 70 information centers throughout Germany, practical ways to protect nature share the agenda with lobbying work, environmental education, research, and public relations.

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Der Grüner Punkt (The Green Dot): As agents for EPR (Extended Producer Responsibility), leading secondary raw material suppliers of plastic and premium producer of plastic recyclates, The Green Dot companies are solution providers for the needs of the circular economy. Der Grüne Punkt – Duales System Deutschland GmbH (DSD) established the first dual (disposal) system in Germany in 1990. Today it stands for intelligent take-back systems and the development and marketing of innovative recyclates and services. At sites in Eisfeld and Hörstel, Systec Plastics produces premium recyclates under the brand name Systalen for the international market. The companies are grouped together under DSD – Duales System Holding GmbH & Co. KG.



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Werner & Mertz: For more than 150 years from its site in Mainz, Werner & Mertz GmbH has become established in the European market as an innovative company with its trusted brands Frosch, emsal and green care Professional. Werner & Mertz adheres to sustainable, environmentally-friendly business principles and regards its pursuit of sustainability as an established company tradition. With the Frosch Initiative and select project partnerships, Werner & Mertz paves the way to groundbreaking sustainable solutions beyond its own industry.
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