

Fair Recycled Plastic: Long-term support for the environment, society and the economy

Melitta Group establishes social business in Bangalore to help combat plastic waste pollution and improve living conditions for the poorest people.

Fair Recycled Plastic is an initiative started by the Melitta Group in cooperation with the Yunus Social Business Fund gGmbH, co-founded by Nobel Prize winner Prof. Muhammad Yunus. At the heart of the initiative is the newly founded company 'Vishuddh Recycle Pvt. Ltd.', which was set up by Cofresco, a subsidiary of the Melitta Group, in the Indian metropolis of Bangalore. The company sources plastic waste from selected social enterprises whose aim is to establish a better waste management infrastructure in Bangalore, thereby integrating so-called waste pickers (rubbish collectors) with better working conditions into the value chain.

The collected waste will then be processed into recyclate from which Swirl® and handy bag® brand bin liners will be produced. The ecological and social effects of the Fair Recycled Plastic project, which is conceived as a social business, are many and varied:

- **Less plastic in soils, rivers and oceans.**
- **More recyclate from used material ('post-consumer recyclate') for a circular economy with plastics.**
- **Fair Recycled Plastic will improve the working and living conditions of waste collectors.**
- **New jobs with good social standards at the recycling plant**
- **Fulfilling the core characteristic of a social business: the company's profits will be reinvested or channelled into health and education projects for the families of the waste collectors.**

Fair Recycled Plastic is financially supported by DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH as part of the develoPPP programme of the German Federal Ministry for Economic Cooperation and Development (BMZ).

"It is part of the Melitta Group's ethos to make positive contributions to sustainable development," said Katharina Roehrig, Managing Director at the Melitta Group and Head of Corporate Communications and Sustainability. "A significant segment of our product portfolio at the Melitta Group is made from plastic. That's why we see it as our duty to do something to reduce plastic pollution in our oceans and on the land."

Fair Recycled Plastic contributes to solving specific ecological and social problems locally in Bangalore. It also aims to be an innovative example of sustainable plastic production and recycling, and to inspire other companies and stakeholders to explore new approaches. After all, plastic is a valuable material that facilitates hygienic storage, protects products and helps to extend the shelf life of food. It is essential that this valuable raw material remains in the life cycle as long as possible through recycling and does not harm the environment as waste. "Fair Recycled

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Plastic is an important milestone on our way to achieving this goal,” added Katharina Roehrig.

Large quantities of waste present major challenges for many countries and cities

Plastic pollution in the oceans and microplastics are widely recognised problems these days. Often, these environmental pollutants are caused by the fact that there is no well-functioning municipal waste management system, especially in developing and emerging countries. This presents many nations with major challenges, including cities and regions in Asia, such as Bangalore, a metropolis of 12 million in southern India. The city, which once boasted of its many, magnificent gardens, used to be known as the ‘Garden city’. Today, it is no longer the fragrant flowers that catch the eye, but the rubbish on the roadsides. About 3,500 tonnes of waste ends up on the roadside or piles up in the 60 illegal dumps in Bangalore every day as it is neither properly collected nor recycled. According to many critical locals, the ‘Garden city’ has turned into a ‘Garbage city’.

Poor waste disposal is not only a problem for the environment, but also affects the lives of the poorest section of the population. About 15,000 to 20,000 people in Bangalore work as so-called waste pickers. From early in the morning until evening, they collect waste along the streets and in the rubbish heaps in order to sell it on. The waste pickers do this without protective clothing such as gloves or masks. With the waste they collect, they earn a small income that is hardly enough to feed their families. Many of them live in slums next to the rubbish dumps.

Recycling instead of throwing away

With Fair Recycled Plastic, the Melitta Group seeks to collect waste in the city in a responsible way and recycle it sustainably, while at the same time stimulating the local economy and improving people's living conditions.

The initiative is based on the principle of the circular economy. Plastics that would otherwise end up in the environment, in landfills or in fires are collected, processed, recycled and reused. The plastics are collected with the help of audited, local partners from Bangalore and processed into granulates directly in India. To achieve this, the Melitta Group has set up a new recycling plant in the Indian city. In a second step, the processed plastic waste is used as a new raw material to produce bin liners for the Swirl® and handy bag® brands. This will not only reduce the waste on the streets of Bangalore, but will also create new jobs through the local production of recycled material. Initially, 20 employees will work at the plant. In the long term, more than 50 people are to be directly employed at the company. Fair Recycled Plastic will also create better working conditions for many waste pickers. The aim is to involve as many people as possible through the partner companies that take the LDPE (Low Density Polyethylene) from the waste pickers for pre-sorting and cleaning and that have to meet the Melitta Group's strict social and quality standards.

Social Business: Long-term support rather than a one-off donation

Cofresco, a subsidiary of the Melitta Group and, producer of Swirl® and Handybag® brand bin liners among other things, has founded the company ‘Vishuddh Recycle’ for the new production facility in Bangalore. The company has been started as a



social business. This means that all profits generated are ploughed back into the business or invested in benefiting the local community.

“In contrast to a one-off donation or a short-term project, a social business provides support over the long term,” explained Oliver Strelecki, Managing Director of Cofresco. The business will generate sales to finance itself which means it does not need to rely on renewed donations. “As part of a family business with a history of more than 100 years, this long-term thinking comes naturally to us. That is why the principle of social business as a form of long-term support fits perfectly into our wider business strategies.”

Cofresco is working with Yunus Social Business GmbH to establish the new company ‘Vishuddh Recycle’. Yunus Social Business GmbH is a company founded by Nobel Prize winner and economist Prof. Muhammad Yunus, who is the originator of the principle of social business. “We all have to ask ourselves what kind of world we want to live in and what kind of world we want for our children. With Cofresco and the Melitta Group, we are now taking a step towards this world together,” said Prof. Muhammad Yunus.

Health and education projects for the families of waste pickers

Until the company ‘Vishuddh Recycle’ starts to make a profit, Cofresco will invest in the new business. When the company starts to make profits they will be reinvested in the company or used to support social projects in Bangalore. “We want to support the poorest section of the population in Bangalore in a holistic way and to achieve this we will be working with two organisations to provide better health care and additional educational opportunities for the waste pickers and their children,” explained Oliver Strelecki. One organisation is the ‘Smile Foundation’, which travels through the slums of Bangalore with mobile clinics to offer people free primary health care. The other is the ‘Hasiru Dala Trust’ which runs educational activities such as community libraries and workshops to promote the social, emotional and cognitive growth of children and works to help them achieve better educational qualifications. Both initiatives will be supported by Cofresco from the start of production until the social business generates the required funding itself.

“Fair Recycled Plastic alone will not transform Bangalore back into the ‘Garden City’ it once was. However, the Melitta Group is committed to taking this important step in the right direction” commented Katharina Roehrig, Managing Director at the Melitta Group and Head of Corporate Communications and Sustainability. “Following the successful establishment of Fair Recycled Plastic in Bangalore, we will work together with other stakeholders to further develop and expand similar structures at a local level.”

The Melitta Group

Melitta is an internationally operating group of companies and is one of the leading independent family businesses, both in Germany and abroad. Its main activities are the development, manufacture and sale of branded products for the enjoyment of coffee, for the storage and preparation of food, and for cleanliness in the home. As a company with a history spanning more than 100 years, the Melitta Group thinks long term and sees the pursuit of sustainable development as an integral part of all its business activities. More information can be found at www.melitta-group.com.

Cofresco Frischhalteprodukte GmbH & Co.KG

Cofresco Frischhalteprodukte GmbH & Co. KG, a company in the Melitta Group, is Europe's leading manufacturer of branded products in the household foil and paper sector for the home and professional kitchen. With its Toppits®, Handy Bag®, BacoFoil® and Swirl® brands, products from this innovative business unit can be found on supermarket shelves in nearly all European countries. Cofresco is also a leader in the food service sector with its Caterwrap® and Wrapmaster® brands. As a plastics processing company, Cofresco optimises its own use of raw materials and follows the principle of the circular economy. The entire product portfolio will be fully part of a circular economy by 2025. Find out more at www.cofresco.de.

Yunus Social Business Fund gGmbH

Yunus Social Business (YSB) is based on the ideas of Nobel Peace Prize laureate Prof. Muhammad Yunus to solve global problems through the power of business. The Yunus Fund team transforms donations into investments that support sustainable social enterprises active in the areas agriculture & livelihood security, education and training, energy and the environment, and health and sanitation. With a portfolio spanning Brazil, Colombia, India, Kenya and Uganda, YSB Funds has positively impacted over 3.6 million lives worldwide. The Corporate Innovation team works with global corporations to empower them to become a force for good. By developing social business models, building social ventures and engaging in social intrapreneurship, the Corporate Innovation Team paves strategic paths for companies to align business goals and impact. YSB has its headquarters in Berlin, Germany, and has more than 10 years of experience in the field of mission-driven business.