

Melitta Group establishes new company to deliver long-term environmental and social benefits

Fair Recycled Plastic follows the principle of social business and is working in cooperation with Yunus Social Business. It aims to be a role model for sustainable business.

Fair Recycled Plastic is a social business from the Melitta Group in cooperation with Nobel Prize winner Muhammad Yunus's company Yunus Social Business GmbH. At the heart of the project is the newly founded recycling company 'Vishuddh Recycle Pvt. Ltd.' which is based in the southern Indian metropolis of Bangalore. The company purchases plastic waste from selected social enterprises who aim to establish a better waste management infrastructure in Bangalore and thereby to integrate so-called waste pickers with better working conditions into the value chain. The waste will then be processed into recyclate from which Swirl® and Handybag® brand bin liners will be produced. The ecological and social benefits of the business model are manifold:

- **The collected and sorted waste will no longer make its way into the environment and in particular into rivers and other bodies of water.**
- **Recyclate made from used material (post-consumer recyclate) will be reused as part of a circular economy.**
- **Fair Recycled Plastic is creating the conditions to improve working and living conditions for waste collectors.**
- **The recycling company provides new jobs that meet high social standards.**
- **A special benefit is that the company's profits will be reinvested in the business and will be used to run health and education projects for the families of the waste collectors.**

"We will be able to recycle up to 2,000 tonnes of plastic waste annually in the southern Indian city of Bangalore. We have converted and expanded an old warehouse there to process the waste," explained Oliver Strelecki, Managing Director of Cofresco. Cofresco, a subsidiary of the Melitta Group that manufactures Swirl® and handy bag® brand bin liners founded the company 'Vishuddh Recycle Pvt. Ltd' for the new production facility. This company has been set up as a social business.

"The principle of social business – establishing a company to provide long-term support - fits perfectly into Cofresco and the Melitta Group's overall business strategy," commented Oliver Strelecki. After all, as part of a family business with a history stretching back more than 100 years, he says, long term thinking is a given. "We see Fair Recycled Plastic as an extension of our business activities and not as a one-off project."

Tanja Wucherpfennig
Director Internal &
External Communication

Phone +49 571 / 4046 - 281
tanja.wucherpfennig@melitta.de

Cofresco®

Melitta®

Corporate Communication
& Sustainability
Melitta Group Management
GmbH & Co. KG

Marienstraße 88, D 32425 Minden
Postbox 1126, D 32371 Minden

Phone +49 571 / 4046 - 0
Fax +49 571 / 4046 - 272

pr@melitta.de
www.melitta-group.com

Reinvesting profit and supporting charitable organisations

Cofresco is working with the Yunus Social Business Fund gGmbH to set up the new company. Yunus is a company co-founded by Nobel Prize winner and economist Prof. Muhammad Yunus, who is a pioneer of the principle of social business. “With a donation or a charitable project, people's problems are tackled in the short term with money. With a social business, on the other hand, a self-sustaining business is created that solves people's problems over the long term,” explained Prof. Muhammad Yunus. For example, if people needed clean water, a charitable project would obtain it with money, e.g., from donations. When the water was used up, more money would have to be donated to supply them with clean water once more. “Following the principle of social business, a company would be set up to treat water and then sell it to the people. Obviously, at a price that people can afford. This money would be used to treat more water to be sold to the people again.”

Fair Recycled Plastic follows a similar concept. Not only is plastic waste collected, but through the professional sorting and subsequent processing of waste, a valuable raw material is created. This is then used for the manufacture of new products. In other words, money is earned with waste, creating a self-sustaining business. The profit generated is not only reinvested in the company ‘Vishuddh Recycle’, but also benefits non-profit organisations in Bangalore that support the waste pickers with health care, education and training.

Cooperation with Yunus Social Business

Cofresco holds a 99.99 per cent majority stake in Vishuddh Recycle Pvt. Ltd. and manages its operational business. The Indian company Yunus Social Business Fund Bengaluru Private Limited (YSB) also holds a stake in the company and has veto rights over important operational decisions. In particular, YSB helps measure the project's effects on the environment, the local people involved and on the cooperation with local partners. “With Yunus Social Business, we have a strong and trustworthy partner at our side, it is a great honour for us to be able to work with this organisation,” remarked Oliver Strelecki, Managing Director of Cofresco. Prof. Muhammad Yunus commented, “We all need 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.”

New jobs and secure employment under fair conditions

Initially, 20 employees will work in various positions in production at ‘Vishuddh Recycle’. The number of workers will gradually rise to more than 50.

Five audited partner companies from the local waste management industry supply the plastic waste. This is sourced from waste collectors and local collection sites and then processed into granulates. “We have carefully selected and checked our suppliers with the help of YSB. By working closely with our suppliers, we will in future not only ensure that our partners meet the quality requirements for the material supplied, but we will also work with them to continually improve working conditions,” explained Ashutosh Singh, Managing Director of ‘Vishuddh Recycle Pvt. Ltd’. In addition to the newly created jobs in the production of ‘Vishuddh

Recycle’, the partner companies will increase the number of their suppliers, including waste pickers, to meet the demand for plastic waste. “This means that more waste pickers will get an additional source of income and it will ensure that they can sell the waste at a fair price. We insist upon a transparent value chain which will also help to improve working conditions,” added Ashutosh Singh.

Between 15,000 to 20,000 people work as waste pickers in the southern Indian metropolis. So far, only a few of them are in permanent employment. They collect waste products from the mountains of rubbish from early in the morning until evening in order to sell it on. The waste pickers have to do this without the benefit of protective clothing such as gloves or masks. They currently earn a very low income that is hardly enough to feed their families. Many of them live in slums directly on the rubbish dump. “Through Fair Recycled Plastic, we want to help more and more waste pickers find permanent employment and improve their living conditions,” declared Ashutosh Singh.

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.