Stiftung Initiative Mehrweg, Taubenstr. 26, 10117 Berlin

Berlin, den 02.08.2021

Future of waste prevention through reusable systems - Endangering the sustainable path through guidelines of the EU Commission for climate, environmental protection and energy subsidies

Dear Sir or Madam,

Stiftung Initiative Mehrweg (SIM) is a German civil law foundation which was established in 1996. It is SIMs objective to sustainably support the conservation of natural resources, to protect the environment and to promote the use of reusable systems in all economic sectors.
The Executive Board of SIM is composed of mainly CEO´s and other Senior managers being active in the reuse industry. The Board of Trustees is composed of Senior managers being active in public and private institutions within the area of Re-use.

In recent years, there has been an awareness at the political level that a change in climate and environmental protection policy is necessary in order to achieve the goals set and required. In particular, the European waste pyramid has established itself as a basis. Reusable systems are recorded under the points "avoidance" and "reuse", i.e. the top objectives of the pyramid!

In many studies, the positive aspects of reusable systems on CO2 emissions, resource protection and waste prevention have been clearly demonstrated. [1]

[1] Studien | Stiftung Initiative Mehrweg (stiftung-mehrweg.de)

The European Commission's proposal for new guidelines on state aid for environmental protection and energy, published on 07.06.2021, jeopardises this politically desired path. The draft would lead to a comprehensive and considerable reduction of the industries that are supported by the special compensation scheme of the EEG surcharge and thus also burdens the manufacturers of reusable solutions! This cannot be intentional.

Reusable plastic containers have been the backbone of the reusable system in many areas for decades. They are often guided in closed material cycles, so that the material can be used for several life cycles in a resource-saving manner. Reusable and recycling at the end of the product's life differ significantly from disposable and recycling. An example of this is the beverage crate or the fruit and vegetable crate, which circulate millions of times in closed pools. In concrete terms, this means that a fruit and vegetable area is used upto 100 times before it is no longer functional. Subsequently, a new box is created from the material of the box, which in turn can be used 100 times. Once used, material can replace disposable and disposable solutions several hundred times. Just as the waste pyramid provides! Disposable solutions are either disposed of or recycled with great effort after only one use and are therefore quite rightly much further down in the waste pyramid.

The EU Commission's initiative with the guidelines on climate, environmental protection and energy subsidies to tighten aid from EU states for energy-intensive companies is actually a sensible step, but the undifferentiated approach to environmental tax reductions or exemptions and reductions in financial contributions to the promotion of renewable energy sources (Section 3.7 of the Guidelines) jeopardises waste prevention through reusable systems. In Germany, this would eliminate the "special compensation scheme for the EEG surcharge" for electricity-intensive companies. Such a tightening would also affect the production of reusable plastic packaging and thus also the production of environmentally friendly reusable containers. The operation of reusable pools is massively endangered. The decision of market participants for ecologically sensible reusable systems is always also an economic choice. On the basis of the announced changes, this could lead to ecologically disadvantageous, but now relatively favorable disposable solutions in the market. The success story of the reusable system is therefore jeopardized.

Section 3.7.2 of the Guideline should explicitly include the fact that an exemption from contributions to the financing of renewable energy, e.B. for activities that are considered sustainable within the meaning of the Taxonomy Regulation or at least for companies that

contribute positively to the environmental objective "Transition to a circular economy" through the provision of reusable systems, is made possible.

Consequently, the production of reusable plastic packaging mustremain on the positive list in the annex to the guideline in order not to endanger the continued existence of resource-saving reusable systems in Germany and throughout Europe.

Furthermore, we can already sensitize you today to the fact that although the positive environmental contribution of reusable systems is recognized in the EU Taxonomy Regulation, the currently discussed drafts of technical regulatory standards ("Level 2", Final report of the Technical Expert Group on Sustainable Finance) give little space to the reusable system.

This threatens that reusable systems – at least until the amendment of the regulatory technical standards – are to be classified as unsustainable activities. This would have serious consequences for the reusable industry, as access to capital markets and debt capital would be massively more difficult. Manufacturers and operators of reusable systems would also have to publish completely misleading key figures on the share of sustainable activities, which would distort public perception and lead it in a misleading direction. This, too, would have fatal consequences for the reusable industry, which could not be politically desired.

Please take this statement into account for further discussions in Brussels and Berlin. It is about the continued existence and expansion of our reusable systems.

Sincerely,

Dr. Jens Oldenburg
Geschäftsführer

STIFTUNG INITIATIVE MEHRWEG (SIM) · Taubenstr. 26· 10117 BERLIN
TELEFON: +49 (0)30 – 403686640·· E-MAIL:INFO@STIFTUNG-MEHRWEG.DE ·
WWW.STIFTUNG-MEHRWEG.DE
IBAN: DE95 2605 1260 0000 166181 · BIC: NOLADE21DUD
GESCHÄFTSFÜHRER: DR: JENS OLDENBURG· VORSITZENDER DES VORSTANDES: FRANK REININGHAUS