

PRESS RELEASE

Companies risking distribution ban: ZSVR issues call to meet recycling requirements for packaging by 31 December

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The clock is ticking – companies that sell their goods in packaging are required by law to enter into a system participation agreement for 2025 and report their planned packaging volumes to the ZSVR by no later than 31 December. If they fail to do so, a distribution ban will apply to their goods and they may be subject to a fine and an entry in the Central Trade and Industry Register. The ZSVR has made it clear that companies in default are not just placing their very business at risk – they are undermining packaging recycling as a whole.

There still are not enough companies contributing to recycling costs, and it is law-abiding companies that are left with the bill. The Zentrale Stelle Verpackungsregister (Central Agency Packaging Register – ZSVR) is calling for an end to the excuses: companies need to act now. Every company that produces, packages (or instructs a third party to do so) and places goods on the German market for the first time has an obligation to enter into a system participation agreement with a system operator and file their packaging volumes with the LUCID Packaging Register by the end of 2025. This includes producers, retail companies and online retailers to name just a few. Without this agreement, the systems cannot report any packaging volumes to the ZSVR either.

Ultimately, recycling is not free. Quite the contrary – recycling costs are going up. One reason is poor separation by consumers, despite the fact that systems have gone to great lengths to spread the word with campaigns like “waste separation works.” As a consequence, the poor quality of the collected mix has meant that the systems are having to invest more heavily in modern sorting technology to sort out recyclable materials.

Why recycling is not free

Across the board, the costs to collect, sort and recover packaging waste have increased dramatically. This is partly due to the targeted recycling rates, which were raised by lawmakers in two stages since 2018. For plastics, for example, the target increased from 36 to 63 percent; paper, paperboard, cardboard (PPC) increased from 70 to 90 percent and aluminium even jumped from 60 to 90 percent.

Add to this the fact that companies are increasingly replacing good, recyclable packaging with packaging made of materials that are difficult to recover. Instead of using mono-materials of pure plastic or paper, they use things like composites that require much more complex sorting and recycling. Volumes of materials that are hard or impossible to recycle, along with sorting errors, mean increased energy recovery. Some prices have increased considerably here, too.

CO₂ prices and plant incinerators increase recycling costs

Another cost driver is the Brennstoffemissionshandelsgesetz (Fuel Emissions Trading Act – BEHG), which governs additional CO₂ prices for recovery. At the same time, proceeds from the sale of plastics recyclates have fallen significantly. Using them for new

packaging and product applications is not economically advantageous compared to virgin material. One development is especially concerning: consumers are throwing away lithium batteries in the wrong bin, which causes fires at sorting facilities. The costs for reconstructing the damaged facilities, building fire protection and increased insurance premiums run in the millions.

More services for everyone

System operators have also significantly expanded their range of services over the last several years. To be able to sort materials from the collected mix and recycle them, systems and facilities operators have improved their technology substantially.

The transition currently under way from yellow bags to yellow bins in lightweight packaging collection is incurring further costs. Systems are not only having to provide the containers, the share of improperly disposed of residual waste in bins is rising, which is negatively impacting the quality of the collected mix.

More than compliance – companies have to uphold their ecological obligations

We all have a duty to keep materials circulating as long as possible. The dual system has proved its value in the past in this respect. To make sure it stays this way, companies need to do their part financially. They are required by both the Verpackungsgesetz (Packaging Act) and EU law to assume producer responsibility for their packaging throughout its entire lifecycle. In other words: they need to enter into a system participation agreement with one or more system operator(s) for their packaging waste by the end of the year.

There is no time to waste; the ZSVR has a precise overview of all the missing packaging volume reports. Currently, confirmations from more than 70 percent of large producers are still outstanding. The ZSVR will refer violations to enforcement authorities. Companies are facing financial penalties, entries in the Central Trade and Industry Register and an immediate distribution ban on their products. Everyone has to live up to their responsibilities for us to succeed at minimising the harm packaging waste does to the environment and establish circularity.

Zentrale Verpackungsregister (Central Agency Packaging Register – ZSVR)

Since the Verpackungsgesetz (Packaging Act) entered into force in 2019, the ZSVR has served as an entrusted body to foster greater transparency and control in the packaging recycling market. To this end, the ZSVR maintains a register of all industrial and commercial companies under legal obligation, reconciles volumes between producers and systems, and provides for more recycling-friendly design by setting standards. Lawyer Gunda Rachut is the Chair of the Foundation.

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