



Press Release

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## **MBA Polymers welcomes Environmental Audit Committee report calling for lower VAT on products with recycled content**

MBA Polymers, the world leader at producing post-consumer recycled plastics from end-of-life durable goods has welcomed a House of Commons Environmental Audit Committee report calling for lower VAT on products with recycled content.

The report, which was issued at the end of July, is called '*Growing a circular economy: ending the throwaway society*'\*(1). As part of a wider move towards creating a circular economy, the report also recommends longer warranty periods for consumer goods and a ban on food waste being sent to landfill.

"We had throwaway economics in the past, but that disposable society simply isn't sustainable in the 21st century," said Environmental Audit Committee Chair, Joan Walley MP. "Less than half of the stuff we throw away each year is recycled and turned back into something useful.

"The good news is that with the right government support, we can stimulate UK manufacturing, create jobs, grow our GDP and reduce our environmental footprint," she continued. "We have to create a more circular economy that rewards innovative businesses, values natural capital, and is resilient in the face of rising global resource prices."

The report recommends that the government should take steps to reform tax and producer responsibility regulations to reward companies that design greener products. In particular, it suggests that lower VAT rates should be introduced based on the environmental impact or

recycled content of products. Tax breaks should also be considered for businesses that repair goods or promote reuse.

This could in turn lower the retail price for a whole range of products which use recycled plastic, from clothing to plant pots to vacuum cleaners, coffee-makers and computers. Dell, for example, has just become the first computer manufacturer to launch a computer made partly of third-party certified 'closed loop' plastics.

"The Environment Audit Committee's recommendation to lower VAT on products containing recycled content could be great news for British consumers and consumer goods companies trading in the UK," says Nigel Hunton, MBA's CEO. "Should it be adopted, it could also provide a significant boost to the UK's recycling industry. We fully support the creation of policies designed to incentivise sustainable product design and create a flourishing recycling market in the UK."

Nigel and MBA's founder Mike Biddle presented similar thoughts on the challenges and opportunities for plastics recycling in the UK to more than 100 stakeholders at Westminster in early 2013. Mike highlighted the sustainable business model that could help the UK to become world leader in recycling plastic waste, while Nigel called on MPs to introduce zero VAT for companies selling products made from recycled materials.

"By treating waste in the UK as a resource, and recycling it in a cost effective and environmentally sound way, the country could attract jobs and investment, reduce its dependence on fossil fuels and forge a reputation as an innovator in waste treatment," says Hunton.

Sustainable polymers company MBA already works with a number of leading car manufacturers to recycle plastics derived from recycled end-of-life cars, with electronic equipment manufacturers who recycling electronic equipment waste and a range of other manufactures such as paint container manufacturers to close-the-loop on recycled plastics paint containers.

MBA Polymers has a major facility at Workop in Nottinghamshire where plastic waste is processed – principally derived from end-of-life cars. Production at Workop is increasing significantly thanks to a partnership with EMR (European Metal Recycling) the leading recycler in the UK, who handle around half the 2 million end-of-life vehicles scrapped every year from British roads.

In addition to lowering VAT rates for recycled products, another important step will be establishing eco-design standards to ensure products are easier to repair, upgrade or recycle. In tandem, the government should work with industry to set longer minimum

warranty periods for consumer products, the report finds. Finally, it also recommends streamlining the UK's area-by-area approach to recycling in order to boost performance in line with the EU plans to increase recycling rates to 70% by 2030.

Ends

**1- Growing a circular economy: ending the throwaway society**

<http://www.publications.parliament.uk/pa/cm201415/cmselect/cmenvaud/214/214.pdf>

**2- MBA Polymers**

Since 1992, MBA Polymers has been constantly evolving and growing, rescuing post-consumer plastic waste from landfill and transforming it into high quality source material for consumer electronics, appliances, and other plastic products.

MBA saves between 1 and 3 tons of greenhouse gas production for every ton of virgin plastic replaced and is transforming the plastics supply chain, as state-of-the-art processing facilities recycle end-of-life durable goods and 'close-the-loop' on plastics.

MBA provides customers with a sustainable and consistent supply of high-quality post-consumer recycled plastics as well as providing a better environmental and economic outcome for plastic waste streams compared to landfill or incineration. The company provides customers with the opportunity to produce more sustainable products - a growing focus for consumers, manufacturers and government agencies.

In April, the company won the prestigious US-based Katerva Awards Grand Prize which recognises innovations with the greatest potential to advance the planet toward sustainability. The awards are sometimes referred to as the Nobel Prize of Sustainability.

A year ago, MBA celebrated its 20th birthday by receiving two major innovation and environmental awards in a week – the 2012 Gothenburg Award for Sustainable Development and GoingGreen's 'Company of the Year'.

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