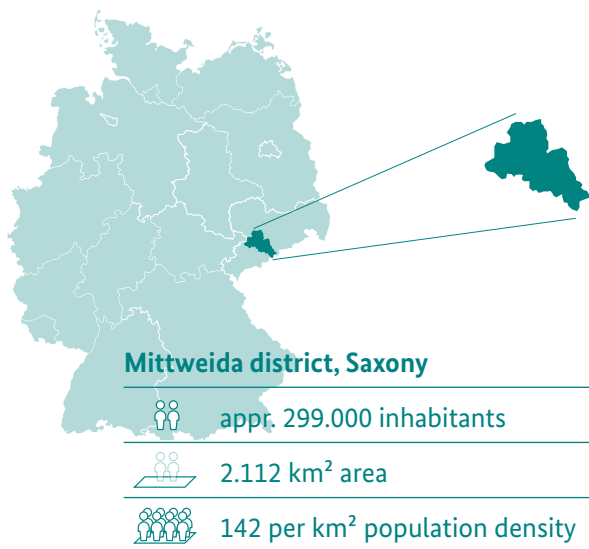


Netz-Werk Mittweida, Central Saxony

A company in the social economy closes cycles



Characteristics of the region

- Very rural area with a large share of agricultural land (71%)
- High volume of commuters
- Population is declining at a constant rate
- Service-oriented industry mix (mainly SMEs, no large companies); originally characterized by the light and textile industries.

Baseline situation and objectives

“The Netz-Werk e. V. Mittweida was born out of the demand for employment opportunities after the reunification, before the systemic circular economy approach emerged. We have built up a lot here, and now it becomes evident that we can marvelously harness synergies between the social aspects and the circular economy.”

Anne Katrin Koch, chief executive Netz-Werk e. V. Mittweida

The Netz-Werk e. V. Mittweida emerged in 1993 through the collaboration of various stakeholder groups in response to high unemployment rates in the region. Initially, the central objectives of Netz-Werk were to facilitate people’s participation in the job market and society and to conserve resources through reuse. Although environmental and climate protection have been included in the organization’s statutes since its inception, it

is only in the past 4-5 years that it has been given equal importance alongside the social aspect of Netz-Werk. Today, greater attention is being devoted to environmental protection.

The district of Central Saxony already exhibits its lower waste generation per capita than the average for the state of Saxony, particularly in the categories of residual and bulky waste. This achievement can be attributed to long-standing activities in the realm of reuse initiatives and extensive public awareness campaigns. An important current objective is the establishment of several innovatively designed recycling centers, with the aim of fostering synergies between these centers and the Netz-Werk. Additionally, a focus is placed on environmental education for schools and kindergartens, aiming to integrate environmentally conscious behavior into daily life.

Focus of the initiative

The Netz-Werk e. V. Mittweida aims to enable people to participate in the labor market and society. Building upon this fundamental goal, the organization seeks to foster awareness in the population regarding the multifaceted benefits of recycling and sustainable resource management for the region. Through close collaborations with competitors in the market, the value of used goods and materials is recouped, aiming to minimize waste and emissions as much as possible.

The network entails:

- **Möbelwert:** Social department store with 4 locations and a total of 4800 m² of retail space.

Offerings: Second-hand goods (furniture, household appliances, textiles, carpets, etc.).
Services: Evaluation of offerings, pickup, refurbishment, presentation, sales, delivery, assembly, etc.

- **Beräumer:** Household liquidations & clearances (separation of recyclable material and waste)
- **Umweltwerkstatt:** Repairs; refurbishment of defective goods; upholstery
- **Tafeln:** Charitable project in the food sector; 8 distribution points

Stakeholders involved

- Municipal waste management
- Business partners in Saxony and throughout Germany
- Competitors from the private sector (e.g. in the fields of household clearances, consignment solutions for used goods)
- Collaboration with universities and foundations
- Herford Recycling Exchange: a partner platform was created in order to pass on surplus goods to other social department stores
- Interface: world's largest modular carpet manufacturer headquartered in England, cleaning and reconditioning large quantities of carpets and carpet tiles

Financing

Approximately 60-70% of the total costs are covered by self-generated revenues. There is no direct institutional funding, only occasional support for specific projects. Additional costs are covered through various labor promotion instruments (e.g., SGB II/III, Federal Volunteer Service, volunteering, social services, judicial program)

Achievements of the initiative

- The brands 'Netz-Werk Mittweida' and 'MÖBELWERT' have been solidified through various advertising campaigns.
- Sustainable awareness-building in the population regarding reuse and the utilization of reuse products.
- The synergetic integration of sustainable activities in the field of recycling with social aspects, such as creating employment opportunities or supporting those in need, is a significant success
- Reusability has gained importance in the region through regular contact with municipal waste disposal companies.

★ Spotlight: High quality reconditioning of furniture

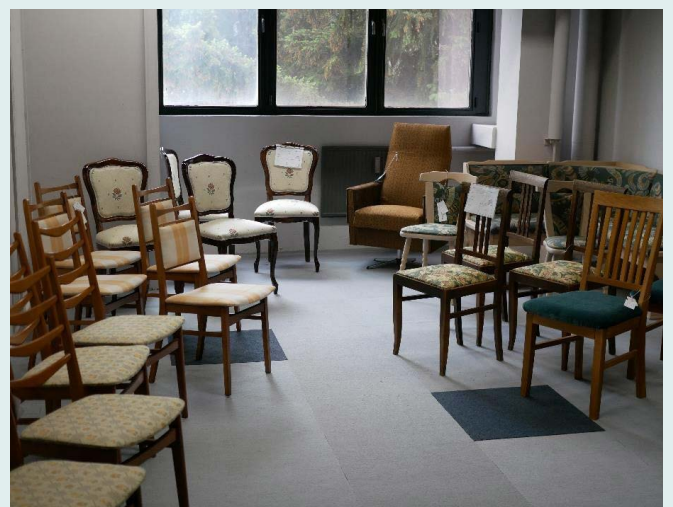
The demand in the market for reconditioned products is determined by the quality and variety of offerings, as well as the sustainability standards of different target audiences.

The following points are crucial for the success of Netz-Werk e. V. Mittweida in the field of reuse:

- High standards of cleanliness, functionality and service
- High recognition value and prominence of the brand “MÖBELWERT”/ of the company
- The level of reutilization is enhanced by good cooperation of the regional partners

“This is not a flea market! Expertise plays a significant role. In the reconditioning of products and their transition into the next cycle, the same level of professionalism is required as in the first life cycle.”

Anne Katrin Koch, chief executive Netz-Werk Mittweida



Social department store © Netz-Werk e. V. Mittweida

🧩 Challenges and barriers

- **Ensuring the functionality** of recycled products: Unlike the first product cycle, load limits cannot be predicted for all goods in the second product cycle. This has an impact on warranty claims and customer satisfaction.
- **Rejection** of goods by customers: Not all discarded goods can be (economically sensibly) reprocessed, which the Netz-Werk has to consider despite its non-profit character.
- **Lack of skilled personnel** as a consequence of altered labor market.

“Our approach to increasing the people’s interest for reused goods was centered around a low price. However, there has been a shift in mindset, also within our organization. While we initially operated from a social perspective, such as focusing on creating simple employment opportunities, we now place equal emphasis on environmental protection and the conservation of natural resources as synergistic effects.”

Anne Katrin Koch, chief executive Netz-Werk Mittweida

Key learnings and replicability

- Disposal is expensive for manufacturing companies, for instance, those dealing with large electrical appliances, furniture, or carpet tiles, and is generally not part of their core business. Especially for high-value products, disposal can be outsourced to partners (e.g. in the non-profit sector). This division of labor can be economically advantageous and beneficial for the image and public perception of the companies involved.
- The organization of cycles or extension of the lifespan of high-value products is hardly achievable by traditional waste disposal companies. The refurbishment for reusing high-quality second-hand products is often not cost-effective and has not been part of public services thus far.
- Effective networking, extensive experience, and the necessary expertise of independent actors, such as the Netz-Werk Mittweida, aid in implementing circular economy activities.
- EU legislative initiatives aimed at promoting the refurbishment and reuse of goods have a positive impact on the second-hand goods markets.
- A certain size of a reconditioning business is necessary to offer a diverse range of products and be attractive to customers.
- Whereas cleanliness and functionality have been the most important qualities for customers, recently aspects like sustainability become increasingly important.

Outlook

The future objective in the district is to establish new, innovatively designed recycling centers. Since 2022, there has therefore been an intensive joint exchange between Netz-Werk e. V. and the municipal waste disposal company to jointly look for ways to increase reuse, recycling and up-cycling.

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