



Supporting Success

Annual Report 2015

REPAK 

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and Public Relations

Repak Board Members

2015 – 2016

Ailish Forde
Coca-Cola Hellenic
Ireland



Jim Bird
O'Birds Foodmarkets Ltd



Anne Butler
Chartered Engineer



Tony Keohane
Chairman



Séamus Clancy
Chief Executive



David Duffy
National Plastic
Packaging Group Ltd.



Jim McNeill
Kelloggs Company
of Ireland



John Curran
Musgrave Group



Louise English
Chartered Accountant

Delivering on Recycling & Recovery compliance targets for Ireland, providing value for money to members and communication of recycling best practice to consumers have been to the forefront in 2015.

Introduction

04

A number of new milestones were met by Repak in 2015, not least in the introduction of a fee rebate scheme for members and in hitting the target of a €20m contingency reserve fund. These, along with the overall performance, will have an important influential role in the strategic planning and managing of Repak into the future. The highlights of 2015 are as follows:

- Membership numbers remain stable at 2,069. Membership fee income for 2015 was strong at €25.528m, ahead of budget by €0.526m.
- The members rebate incentive scheme returned €0.857m to regular members who complied with statistical returns and invoices being paid on time and scheduled members who signed up to a direct debit payment process. This proved a great success and one the Board will consider further pending recycling and recovery performance.

Membership fee income for 2015 was strong at €25.528m, ahead of budget by €526k.

- Financial performance for 2015 was exceptional with a surplus of €4.188m after tax. Membership income was better than budget by €0.526m. Recovery & Recycling spend was lower than budget by €1.816m. Included in administrative expenses was an exceptional credit of €1.676m arising as a result of a release of a provision no longer required regarding a dispute which was resolved in 2016.
- The financial performance in 2015 has facilitated the transfer of €20m from general reserves to a contingency reserve fund required under our approval from the Department of Environment, Community and Local Government (DECLG). It is ring fenced from day to day activity and held in trust for our members.
- All recycling and recovery targets for 2015 were achieved. Repak contributed 83% to the national outcome expected to be 91% (Target 75%) and Repak contributed 63% to the expected recycling outcome of 72% (Target 65%).
- Total tonnes from our 96 contracted Recycling & Recovery operators for 2015 were, 762,464 tonnes, 49.6K tonnes less than 2014. Household recycling was down by 7,179 tonnes and shows a behavioural change in consumer practice that is a challenge for 2016.
- The DECLG created three new regional enforcement lead authorities to coordinate and prioritise enforcement. These new Waste Enforcement Regional Lead Authorities (WERLAs) officially came into effect on 1 July 2015. We are currently working closely with these teams to address the enforcement challenge.
- Marketing, Communications and Public Relations had another strong year with our Easter, Christmas and Repak Recycling Week surpassing previous years. The roll out of Repak's new brand identity continues to impact positively. The complementary branding of the Pakman Awards and the success of these on the 22 October 2015 highlighted collaborative work with members and industry stakeholders.

05

Member rebate incentive scheme returned €857,000 to members.

- ISO9001:2015 was delivered in September 2015 in less than twelve months from commencement and was a testament to the collaboration of all staff and departments in the Repak organisation. As part of the process and our risk management reviews we further upgraded our IT firewall systems to maximise security.
- Repak facilitated the DECLG in setting up of an End-of-life tyres (ELT) scheme which went live on the 1st November 2015. The new scheme was named Repak ELT and is being provided with central services and management expertise by Repak which is charged to the Repak ELT scheme. By December 31st 2015 over 300 businesses and 442 sites had signed up to the new scheme.
- We welcome Pay-by-Weight legislation being introduced by the DECLG on the 1st July 2016, as its fundamentals are based on the polluter pays principle. Whilst 30% of all householders in the country are already on Pay-by-Weight, we initially expect an increase in contamination factors in the dry recycling bin, and this may have a negative affect on our recycling targets in 2016 & 2017. The challenge for Repak will be to have a robust communications campaign to mitigate the contamination risk.
- Thirdly the Circular Economy Package which we referred to in our 2014 report identified the challenge for Ireland Inc. in achieving recycling targets. Due to dialogue with the European Commission and the influence brought to bear by 27 member states, packaging compliance schemes new targets have been deferred from 2020 and will now come into effect in 2025. The new plastic target of 55% is a major challenge. At a current recycling level of 40% for plastic, achieving and planning to reach this ambitious target will require consideration of a new way to operate.

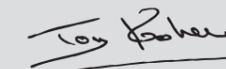
The Board of Repak is satisfied with the progress that has been made since the issue of the first report 'Forward Together' in 2014 which was the year of new beginnings, New Board, New CEO, New Management Structure. Many of the challenges of the time have now been addressed and Repak as a members organisation is now operating in a landscape when 'Supporting Success' is the next step in the evolution of Repak. This requires dealing with challenges of which there are three key issues:

- Membership growth and bringing the 'Free Riders' to account is the number one priority. Repak welcomes the initiative by the DECLG with the introduction of the WERLAs. In conjunction Repak is developing a new shared database with Local Authorities that will provide up to date information on compliant and non-compliant business and therefore focus the enforcement effort. We will also encourage existing Repak members and trade bodies to promote compliance. Greater compliance will help reduce the fee scales for existing members and level the playing field for all.

As with all challenges, Repak has and will continue to be proactive and as always has to the fore member's needs. In delivering our service to members we particularly want to thank the staff of Repak who over the past two years have embraced significant change.

Finally, we would like to take this opportunity to thank the Board for their significant contribution and support. 2016 will see the beginning of a three year cycle of Board representation elections for the member directors. We will communicate with all members seeking nominations for member directors for election. It is important your views are represented at the Board and we look forward to your voice being heard by using your vote.

We welcome and encourage feedback at all times. Assuring you of our best endeavours.



Tony Keohane
Chairman



Séamus Clancy
CEO

**Repak is committed
to best practice in
corporate governance.**



Governance & Finance

Governance

Repak is committed to best practice in corporate governance. The primary corporate governance instruments adopted by Repak are the Articles of Association, the Strategic Plan 2014 – 2018, the approval from the Department of the Environment and the Terms of Reference for the Committees of the Board.

While recognising the importance of these formal instruments, good corporate governance requires a commitment to, and the practice of, values that guide the company in serving the needs of all its stakeholders. The directors, officers and employees of the company commit to these values.

Board Meeting Attendance 2015

Director	24 Nov	27 Aug	26 May	03 April	18 Feb	Present	Out Of
Tony Keohane	•	•	•	•	•	5	5
Jim Bird	•	•	•	•	•	5	5
Ann Butler	•		•	•	•	4	5
Séamus Clancy	•	•	•	•	•	5	5
John Curran	•	•	•	•	•	5	5
David Duffy	•	•	•	•	•	5	5
Louise English	•	•	•	•	•	5	5
Ailish Forde	•	•	•		•	4	5
James McNeil	•	•	•	•	•	5	5

Corporate Structure

The authorised Share Capital of Repak comprises 10 ordinary shares of €1.27 each. Three ordinary shares have been issued to the following Nominee Companies:

- Fand Limited
- Arthur Cox Nominees Limited
- AC Administration Services Limited

These companies hold the shares under a bare trust agreement which has been set up on behalf of Repak Members, the beneficial owners of the shares.

The Trustee companies undertake to use, vote, transfer, etc. the shares in such a manner as directed by the Board of Directors of Repak Limited (as representative of the beneficial owners) may from time to time direct.

Annual General Meeting

The 2015 annual general meeting was held on 2 July 2015.

At that meeting Tony Keohane noted his intention to resign as Chairman and Director of Tesco Ireland, and in accordance with the Articles of Association of Repak Ltd., tendered his resignation as a Director of Repak Ltd. It was resolved that Tony Keohane (retiring as a Member Director representing Retailer Regular Members of Repak) be re-appointed as an additional director to the Board of the Company to hold office until 7 October 2016.

The Annual Reports for Repak are available on www.repak.ie. The 2016 annual general meeting will be held on 9 June 2016 at Repak Offices, 1 Ballymount Road, Redcow Interchange Estate, Clondalkin, Dublin 22.

Audit Committee

Members; Ms Louise English (Chairman), Mr David Duffy, Mr Jim Bird. Committee members attended three meetings which were held in 2015.

The audit committee reviews financial performance and reporting processes in the company. It also meets with our statutory auditors and tax advisors PricewaterhouseCoopers.

Company Officers

The following individuals are officers of the company as at 31st December 2015:

Directors

→ Mr Tony Keohane
Chairman, Independent

→ Mr Jim Bird
Elected Scheduled Member

→ Ms Anne Butler
Independent

→ Mr Séamus Clancy
Chief Executive Officer

→ Mr John Curran
Elected Retailer

→ Mr David Duffy
Elected Distributor / Wholesaler / Manufacturer / Convertor

→ Ms Louise English
Independent

→ Ms Ailish Forde
Elected Brand Holder

→ Mr Jim McNeill
Elected Brand Holder

Company Secretary

→ Mr William Collins
Financial Controller

In August 2015 the Audit Committee recommended to the Board of Directors, who ultimately approved, an €8 million investment in two investment funds with a view to increasing returns having regard to the current low interest rate environment. Both funds are low to medium risk products and designed to be held for the medium-term. The recommendation was framed around a cautious risk profile and endeavours to maximise returns while protecting in as far as possible the underlying capital base.

Nominations Committee

Members; all Directors: Mr Tony Keohane (Chairman), Mr James McNeil, Mr Séamus Clancy.

Remuneration Committee

The full Board of Repak Limited currently make up the Remuneration Committee.

Profit & Loss Account for the financial year ended 31 December 2015

	2015	2014
Membership Fee Income	25,527,672	24,354,857
Direct recycling costs	(17,642,233)	(11,027,054)
Gross Profit	7,885,439	13,327,803
Administrative Expenses	(3,548,114)	(4,598,427)
Other Operating Income	15,440	
Surplus on ordinary activities before interest and taxation	4,352,765	8,729,376
Interest receivable and similar income	271,957	454,317
Surplus on ordinary activities before taxation	4,624,722	9,183,693
Tax on surplus on ordinary activities	(437,129)	(139,722)
Surplus for the financial year	4,187,593	9,043,971

All figures displayed in Euros.

Finance Highlights

2015

- **Surplus €4.188m after tax**
- **Cost control and membership value focus areas for 2015**
- **Membership fee rebate scheme €857k for 2015 and committed to no fee increases to December 2018**
- **Lower direct recycling costs**
- **Subsidy reductions continuing through to 2018**
- **Contingency reserve fund €20m aligned to conditions of approval.**
- **Profit & Loss Reserve €2.681m**

Income & Expenditure

The financial surplus for the year was €4.187m (2014: €9.044m). Revenue from member fees was up, both direct recycling and administration costs were down and the underlying fundamentals were positive. The value of the Balance Sheet as represented by shareholders' funds was €22.681m (2014: €18.493m).

Revenue

Revenue for the year from members was €25.528m. This represented an increase of 4.8% from the previous year (2014: €24.354m). We are committed to no fee increases up to December 2018, subject to market conditions as detailed in our strategy.

Direct Recycling Costs

Total Recycling expenditure was €17.642m compared to €20.279m (before exceptional items) in 2014. This represents a like for like reduction in expenditure of 13% in 2015. The decrease in costs was mainly driven by the continued reduction in subsidy rates and decreases in quantities of more expensive material types funded in 2015.

Repak funded recycling and recovery of 762,464 tonnes of waste packaging (2014: 812,046 tonnes). The 6% decrease in tonnes relates mainly to revised measurement criteria associated with contamination and moisture factors applied to waste packaging material sent for recovery through waste to energy. Furthermore, lower than anticipated quantities of household materials were recycled.

Direct Recycling Costs	2015 (€)	2014 (€)
Direct Recycling Cost Credit	17,642,233	20,279,112
Exceptional (Credit)	-	(9,252,058)
Total	17,642,233	11,027,054

Administrative Expenses	2015 (€)	2014 (€)
Administrative Expenses	4,367,974	4,388,577
Membership Fee Rebate	856,590	-
Exceptional (Credit)/Charge	(1,676,450)	209,850
Total	3,548,114	4,598,427

In line with our pro-active risk management strategy, Repak continues to monitor risks and identify mitigation strategies. As a result, we have introduced a phased net subsidy reduction plan to 2018.

The company makes an estimate of the direct recycling subsidy cost of packaging placed on the market not as yet recovered. This involves estimating of the length of time it takes from an item of packaging to be placed on the market until a subsidy claim is generated by approved recovery operators. Increased quantities of domestic glass recycled at a slower rate has resulted in an increase in the level of provision required of €0.105m to €5.489m at December 2015 (€5.384m, 2014).

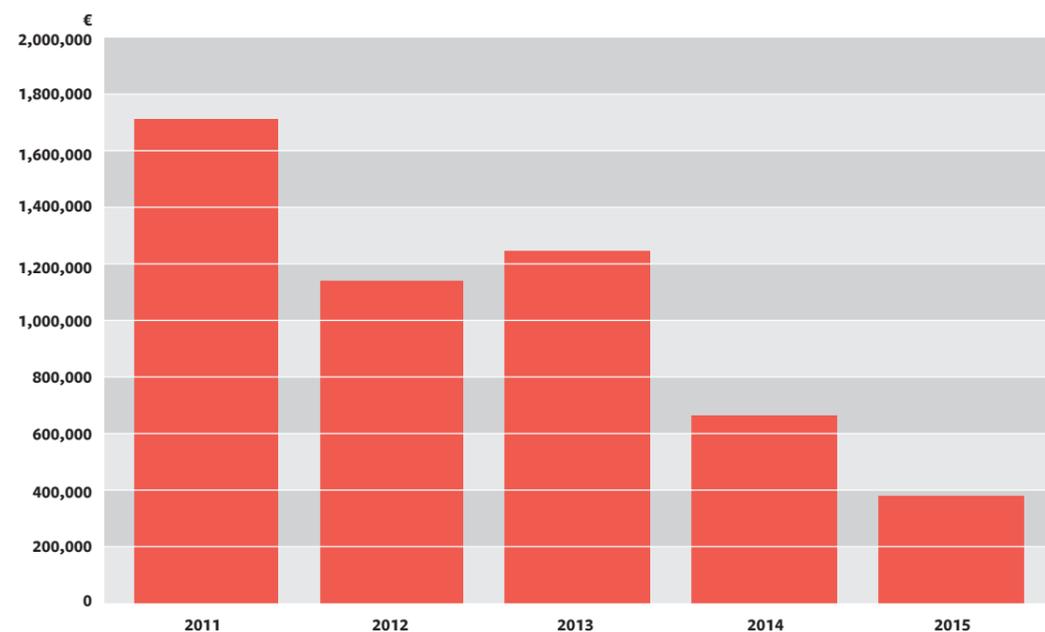
In 2014 the company reviewed its level of provisioning in relation to a number of claims and amounts previously accrued regarding tonnes of waste packaging recovered to reassess the extent that it is probable that a payment is likely to fall due. This resulted in a once off reduction in direct recycling costs of €9.252m which was reported as an exceptional credit for that year.

Administrative Expenses

Administration costs before exceptional items and member fee rebate were €4.368m for 2015 (2014: €4.389m).

Arising from the fee rebate scheme, members qualified for €0.857m rebates in 2015 which proved a major success with regular and scheduled members.

Trade debtors at end of year



In 2015 administrative expenses include an exceptional credit of €1.676m arising as result of the release of a provision no longer required regarding a dispute which was resolved in 2016. The exceptional charge in 2014 represented a provision regarding an ongoing dispute and a confidential settlement received in relation to a litigation matter.

Total communications and public awareness spend was €0.603m for the year, a 14% increase on the previous year (2014: €0.531m). As part of Repak's approval we are committed to a series of national, regional and local campaigns targeted at the business community and the individual with the ultimate goal of continuing to increase recycling and specifically packaging recycling and recovery levels.

Interest Income

Interest income is reflective of a historically low deposit rate environment. During the year the company invested €8m in two multi assets investment funds with a view to increasing returns having regards to the current low interest rate environment. These investments are risk rated low to medium however, the company is exposed to market risk as there is no capital guarantee associated with these investments.

The financial surplus for the year was €4.188m (2014: €9.044m).

As a condition of approval, Repak is required to build up a contingency reserve fund of €20m. Aligned to this condition of approval, the company transferred €20m from general reserves to a Contingency reserve fund in 2015.

Balance Sheet

Fixed Assets

Our renovation programme was completed in 2015 with the introduction of an open-plan working environment and modernising the premises costing €0.224m.

Financial Assets

In September 2015 €8m was invested in two multi assets investment funds with a view to increasing returns having regards to the current low interest rate environment.

Trade Debtors

Trade debtors at 31 December 2015 were €0.468m (2014 €0.648m). All significant fees due at year end were paid in early 2016 as part of the normal business cycle.

Balance Sheet as at 31 December 2015

	2015	2014
Fixed Assets		
Tangible Assets	2,933,410	3,010,244
Financial Assets	8,084,441	-
	€11,017,851	€3,010,244
Current Assets		
Debtors	919,082	2,901,750
Cash at bank and in hand	20,561,118	24,771,176
	€21,480,200	€27,672,926
Creditors (amounts falling due within one year)	(9,806,853)	(12,174,904)
	€11,673,347	€15,498,022
Creditors (amounts falling due within one year)	(10,207)	(14,868)
	€22,680,991	€18,493,398
Capital & Reserves		
Called up Share Capital — presented as equity	4	4
Profit & Loss Account	2,680,987	18,493,394
Contingency Reserve Fund	20,000,000	-
	€22,680,991	€18,493,398

Internal Control Processes

Quality Management System

Repak was the first business in Ireland to receive its ISO 9001:2015 Quality Management System certification October 2015. The system operates efficiently through ongoing internal audits and management review.

Repak Payment Scheme Auditing

Repak Payment Scheme (RPS) auditing is a third-party review programme. External auditing firms visit the premises of Repak registered recovery operators and spend time reviewing the subsidy claims made and their supporting back-up documentation. After all checks are complete a confidential report is issued to Repak with a positive or negative opinion expressed on the robustness, completeness and accuracy of the subsidy claims. Follow up action is taken if necessary by the Recovery and Recycling dept. account managers.

In 2015 subsidy claims directly reviewed totalled €8.846m (369,000 tonnes). There were no material findings.

IT Systems Testing

Repak's online presence has grown over 2015 and the majority of its interaction with both members and Recovery Operators takes place online. Over the year 36% of all subsidy invoices were submitted outside of standard office hours. Mobile working has increased among our members and the flexibility and availability of our systems have made the submission of packaging returns less onerous on our members.

One of Repak's overall objectives is to ensure that appropriate information security controls are implemented within the Internet facing web environment to preserve the integrity, confidentiality and availability of its information and computing resources.

Effective implementation of these security controls aids the prevention of unauthorised, accidental, or deliberate disruption, disclosure, modification and use of Repak's information technology resources.

Over the course of the year Repak also introduced a full online audit facility for Recovery Operators which pulls together all the required data from their invoice submissions and analyses the various different outcomes across multiple materials.

All our internal IS processes are documented through our ISO 9001 certification.

Packaging Waste Lifecycle Analysis Study

Packaging placed on the market, but not as yet recovered €5.489m (2014 €5.384m).

The company makes an estimate of the direct recycling subsidy cost of packaging placed on the market not as yet recovered. This involves estimating the length of time it takes for an item of packaging to be placed on the market until a subsidy claim is generated by approved recovery operators. Increased quantities of domestic glass recycled at a slower rate has resulted in an increase in the level of provision required of €0.105m to €5.489m at December 2015.

We estimate that it takes on average at least 102.8 days for items of household packaging sampled (predominantly food and drink) to move from being placed on the market through that part of their lifecycle which ends when a Repak subsidy claim is triggered. By reference to the 2015 budget this equates to direct recycling costs of €5.489m and has been provided for in the 2015 financial statements.

EU Policy Developments, Circular Economy Package

Repak has given a guarded welcome to the new Circular Economy Package (CEP) which was adopted by the EU Commission on 2 Dec 2015. This package replaces the previous CEP which was withdrawn in Dec 2014. Repak is pleased to see that many of the recommendations of the Common Position Paper, setting out the views of packaging PRIs across 27 EU Member States, were taken on board by the EU Commission. Repak took on the role of coordinating the Common Position Paper and contributing to the debate on future policy in order to achieve the best possible outcome on behalf of its members.

The Commission is now proposing a comprehensive set of measures which, unlike the withdrawn 2014 package, focuses on the entire lifecycle and not just the waste phase. Europe cannot compete on wage costs or cheap natural resources, so it must build a competitive edge through resource-efficiency. The Circular Economy focuses not just on the environment, but also on the economy. The proposed actions will contribute to "closing the loop" of product lifecycles through greater recycling and re-use, and bring benefits for both the environment and the economy.

The new package consists of proposed amendments to the Waste Framework Directive (WFD), the Packaging and Packaging Waste Directive (PPWD), the Landfill Directive (LD) and minor technical amendments to the Directives on Batteries and on Electrical and Electronic Waste (WEEE); and an EU action plan for the Circular Economy.

Revised Legislative Proposals on Waste Targets

The revised legislative proposal on waste sets clear targets for reduction of waste and sets out an ambitious long-term path for waste management and recycling. Key elements of the revised waste proposal include:

- A common EU target for recycling 65% of municipal waste by 2030
- A common EU target for recycling 75% of packaging waste by 2030
- A binding landfill target to reduce landfill to a maximum of 10% of all waste by 2030

It is now proposed that the packaging waste targets will be restructured. The recycling targets have been changed to targets for 'preparing for re-use and recycling'.

The new targets for packaging versus current performance are as follows:

As can be seen from the table Repak is already comfortably exceeding all of the 2025 recycling targets with the exception of the plastic target. This is one target which is of concern for Repak. While the 55% target for plastic does not apply until 2025, many are of the view that it is over ambitious and it is also of major concern for PRI schemes across other EU Member States. The Commission is currently working on a plastics strategy which will be published later this year.

Other main elements of the proposals to amend EU waste legislation are:

- Alignment of definitions
- Introduction of minimum operating conditions for Extended Producer Responsibility (EPR)
- Simplification and streamlining of reporting obligations

Financial Responsibility

Another cause for concern is the proposal that producers/importers should "cover the entire cost of waste management" including undefined "treatment operations"

and potentially including other measures (e.g. paying for the clean-up of litter outside their remit). This is not appropriate, EPR stakeholders/PROs should only be financially responsible for the costs falling within their remit and influence.

Next Steps

The legislative process is a co-decision procedure between the EU Parliament and the Council and it is estimated that it could take another twelve to eighteen months before the CEP is fully adopted. Repak will continue to monitor developments in this area and work closely with other packaging compliance schemes across the EU (i.e. from Pro-Europe and EXPRA), to ensure a successful outcome from the review process.

Pay-by-Weight, Householder Waste Collection

Pay-by-Weight legislation for household waste collection will be introduced on 1st

July 2016. The aim of this new legislation is to encourage positive environmental behaviour and to create a level playing field among the collectors. Collectors will have to end the practice of charging a flat fee per collection by introducing a charging system that promotes greater segregation of waste, improves recycling and allows householders to save on their bills.

The introduction of Pay-by-Weight in certain parts of the country has already seen household recycling levels increase and the DECLG is confident 90% of householders will benefit with reduced waste bills.

Repak welcomes the principle of Pay-by-Weight for food and residual bins. There is a misconception that the recycling bin has always been free. Repak members provide over €65 per tonne for household recycling material collected and processed.

Repak is preparing and gearing up for an increase in the recycling of packaging waste in the latter half of 2016.

Aggregate Targets

* 2014 data will be released in H2 by the EPA. Repak's 2015 estimate is based on the most recent available data from the EPA.

	National Waste Data	Repak Estimate of National Waste Data	Proposed CEP Aggregate Targets %	
Year	2013	2015 (Estimate)	2025	2030
Recovery	88	91	-	-
Recycling	70	72	65	75

Material Specific Targets

	National Waste Data	Repak Estimate of National Waste Data	Proposed CEP Aggregate Targets %	
Year	2013	2015 (Estimate)	2025	2030
Glass	80	82	75	85
Paper & Cardboard	79	78	75	85
Metal	79	83	75	85
Plastic	40	40	55	To be reviewed
Wood	82	79	60	75

There was no increase in members fees in 2015 – the eighth consecutive year in which fees have been frozen.



Membership

Member Numbers

2000-2014

Membership Fee Income and Fee Rebate

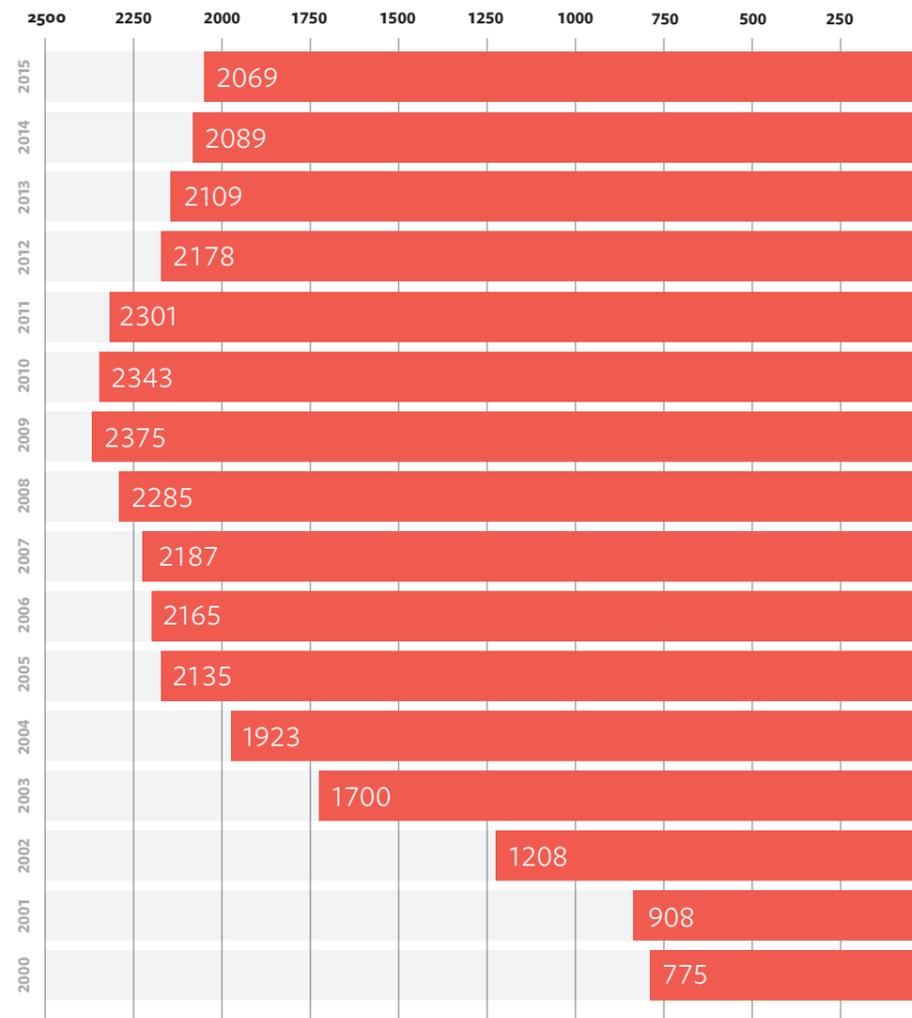
Total fee income for 2015, including new members, amounted to €25.528m, up nearly 5% from €24.355m in 2014.

The fee rebate programme was introduced at the start of 2015 for members, subject to a number of qualifying criteria.

In total there was €0.857m returned to members in 2015 and Repak continues the scheme for 2016. It is in the interest of all Repak members to meet the conditions described below as rebates can only be paid once these conditions are met.

For regular members, the conditions included the submission of packaging statistics by the agreed published date, together with payment of invoice by the due date. This rebate scheme currently operates twice yearly, with 5% of the net invoice rebated to the member's bank account.

A similar programme was introduced for scheduled members, with invoice payment required by direct debit on the due date.



Member Numbers

Member numbers have been relatively steady for the three years to the end of 2015, compared to a continuous year-on-year decline since 2009. While trading conditions are still difficult we have seen a stabilisation in membership numbers as convenience retailers, hotels and smaller production and distribution companies are no longer being lost at the rate they once were. The loss of some 83 members in 2015 is similar to 2014 further reflecting this stabilisation of member numbers.

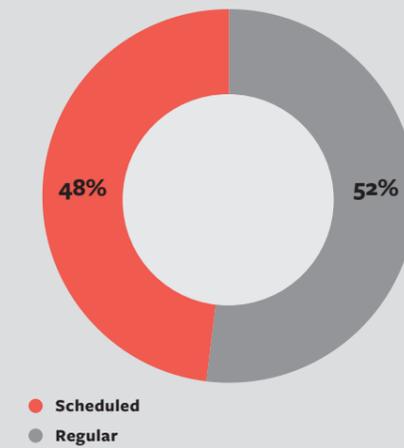
Losses were offset to some degree by the recruitment of some 63 new companies into membership.

There were no losses of any major member companies, who continue to provide the greatest level of contribution to Repak fee income. The trend of consolidation and mergers of some larger production and distribution companies is still continuing. The effect on Repak fee income has been neutral, it has resulted in a smaller number of larger companies accounting for a higher proportion of overall income.

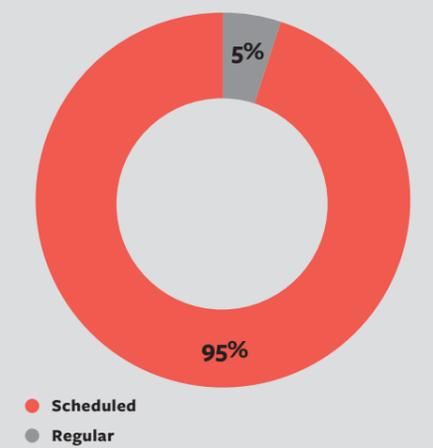
During 2015, the 20 largest Repak members accounted for 51% of total member fee income, while the 50 largest accounted for 65% of fee income. The contribution of these members is highly valued, the dependency on a relatively small number of producers continues to pose a risk to the overall Repak funding model. At the end of 2015, Repak had 2069 members, of which 48% were regular members, and 52% scheduled members. Fee income from regular members* accounted for 95% of 2015 fee income, with the remaining 5% coming from scheduled members*. (See page 21 for a description of our members).*

A full list of Repak members can be viewed at www.repak.ie/for-business/member-list.

Members by Numbers



Members by Income



Members Scheme Rules

The Repak Board approved some amendments to the Members Scheme Rules in 2015. The rules constitute the basic contract between Repak and its members, and need to be updated from time to time to take account of issues such as changes to the legislation and other practices relating to membership. The last such changes took effect from 1 July 2014. The amendments took account of the following:

- Changes to legislation – Companies Act 2014, Data Protection legislation, European Union (Packaging) Regulations 2014
- Revised Repak Corporate Governance structure – provision for AGM, Member Directors, Board elections etc.
- Provision for fee rebate to members
- Provision for changes to Scheme Rules and period of notice to members

The new Scheme Rules became effective from 1 October 2015. They can be viewed on Repak website www.repak.ie/for-business/members-area. Copies are also available directly from Repak.

Enforcement

While some 63 new member companies were recruited into Repak membership during 2015, the identification and recruitment of obligated companies continues to be a major challenge.

Repak has been active in its support for a lead role in enforcement by the regional waste management groups (Waste Enforcement Regional Lead Authorities – WERLAs). Repak has committed to providing resources to support their activity, and has been actively engaging with the new enforcement structures. In doing so, Repak has laid emphasis on the inequity involved in the existing system, whereby compliant member companies are being put at a competitive disadvantage by those who have chosen not to comply with the law.

In December Repak hosted a briefing meeting for all Local Authority Enforcement officers and WERLA's executives. At the meeting a pilot project was agreed whereby Repak would provide information to the three WERLAs to assist them in enforcing the packaging waste legislation with selected businesses. A number of these businesses in selected Local Authorities across the three WERLAs were identified and relevant information communicated to them. Repak will continue to assist the Local Authorities with their enforcement of the packaging regulations in 2016.

Repak fees, compared with other European countries, are among the lowest in Europe.



Summary of Fees (*)

	Paper	Glass	Aluminum	Steel	Plastic	Plastic Bottles	Wood	Paper Composite	Metal Composite
Materials Manufacturer	€2.05	€2.05	€2.05	€2.05	€2.05	€2.05	€2.05	€2.05	€2.05
Converter	€2.05	€2.05	€2.05	€2.05	€2.05	€2.05	€2.05	€2.05	€2.05
Distributor	€2.05	€2.05	€2.05	€2.05	€2.05	€2.05	€2.05	€2.05	€2.05
Retailer	€4.10	€4.10	€4.10	€4.10	€4.10	€4.10	€4.10	€4.10	€4.10
Brandholder / Importer	€22.73	€9.18	€83.62	€78.51	€89.16	€89.16	€10.60	€75.78	€111.48

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(*) excl. VAT

Prevent and Save Programme

The waste hierarchy sets out an order of preference for action to manage waste. While recycling is an important part of that process, prevention of waste is a more preferable option. Repak works closely with member companies on this 'stop waste before it happens' approach. Repak's Prevent and Save programme helps Irish industry to avoid over-packaged, non-reusable and non-recyclable packaging – while saving money at the same time. Programme measures include:

- On-going on-site packaging audits of Repak members carried out by Repak Packaging Technologists.
- Regular update of information and case studies via the Repak website, conferences and workshops, and the Repak newsletter.
- Measurement of cost savings both for individual members and Irish industry as a whole.

- A Waste Prevention Business award was promoted to member companies as part of the national Pakman Awards. This was secured by the Sandymount Hotel in 2015 for their integrated waste management and prevention programme. The hotel worked with many of their suppliers who agreed to avoid excessive packaging and made arrangements to return boxes and other containers to the suppliers for reuse or recycling.

The Prevent and Save programme was not a priority in 2014 and 2015. 2016 will see a renewed focus to promote with members the benefit of the programme and consulting advice that Repak can provide.

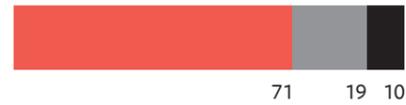
Membership Categories

Repak membership falls into two broad categories – 'regular' and 'scheduled' membership.

Regular members are major producers along the packaging supply chain and include packaging material manufacturers, packaging converters, brand holders, importers, distributors and retailers. These producers supply twice-yearly packaging statistics and pay fees according to the amount and type of packaging placed on the market. The category also includes producers who are not obligated under the Packaging Regulations but choose to pay a producer responsibility contribution to the recovery of their packaging.

Scheduled members are producers who retail directly to consumers but who are not brand holders or importers of the products sold on-site. This category includes independent / franchised retailers, licensed premises, off-licences, hospitality sector, hardware and building materials, pharmacies, electrical retailers and restaurants. Scheduled members pay a once-yearly membership fee, based on a schedule of turnover / tonnage bands.

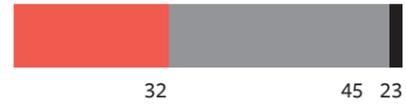
Equitable System (%)



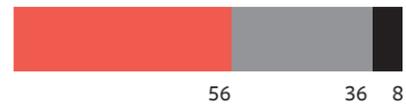
Understanding Fees (%)



System Works (%)



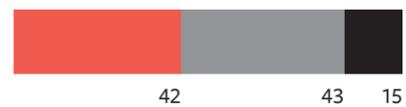
Rebate Satisfaction (%)



Level of Communication (%)



Overall Satisfaction (%)



● Positive ● OK ● Negative

Members Survey

In mid-2015, Repak carried out an omnibus survey of members across a number of key areas. The main findings were:

- There was broad support for the key Repak membership value proposition, with sizeable majorities regarding the Repak fee charging system to be broadly equitable;
- Most members were clear on the information relating to fees charged, even if the system is somewhat technical;
- Member communications were generally considered to be good and to the point with targeted letter / email the favoured method. There was little support for the Members Conference;
- Many members had not fully picked up on messages in relation to Ireland's strong recycling performance and Repak's comparative low cost charges compared to other EU countries;
- Overall satisfaction with Repak membership was positive;
- There was a certain lack of clarity of the Repak value proposition in some sectors. This was more prevalent among scheduled members in areas such as the hospitality and the independent retail sectors;
- The overall producer responsibility system for packaging recycling is working well.

Repak has been working hard to ensure that the responses received from members are fully incorporated into Repak's ongoing communications and relationships with all stakeholders.

Membership Fees

There was no increase in members fees in 2015 – the eighth consecutive year in which fees have been frozen.

The Repak fee structure is based on the principle of producer responsibility and is designed to ensure that the cost of recovery of packaging waste is spread on an equitable basis. The key elements of that principle are that responsibility is shared across the supply chain and that producers contribute to national recycling in accordance with the amount and type of packaging they place on the market.

Repak regular members include the categories of materials manufacturers, packaging converters, brandholders, importers, distributors and retailers. These pay fees on a tonnage basis. Different packaging materials are charged at individual rates, reflecting the level of subsidy required to ensure that those materials are recovered. The standard fee matrix is shown on page 21.

Summary of Fees

Scheduled members pay a once-yearly membership fee, based on a schedule of turnover / tonnage bands determined by Repak, in agreement with industry and trade associations. The schedule of fees is set out on page 23.

The Review of the Producer Responsibility Initiative Model in Ireland (PRI Review), commissioned by the Government and published in July 2014, noted that Repak member fees, compared with other European countries, are among the lowest in Europe.

Repak Scheduled Member Annual Fees

Category	Turnover from (€)	Turnover to (€)	Repak Fee
Hardware & Building Materials (between 10t & 25t of packaging)	1,465,000	3,649,999	400
Hardware & Building Materials (25t or more of packaging)	3,650,000	Over 3,650,000	980
Hotel / Hospitality (between 10t & 25t of packaging)	1,000,000	-	400
Hotel / Hospitality (25t or more of packaging)	1,000,000	Over 1,000,000	980
Pharmacy (between 10t & 25t of packaging)	2,750,000	3,500,000	400
Pharmacy (25t or more of packaging)	3,500,000	4,999,999	980
	5,000,000	6,499,999	1,078
	6,500,000	7,999,999	1,273
	8,000,000	Over 8,000,000	1,469
Licensed Premises (between 10t & 25t of packaging)	1,000,000	-	400
Licensed Premises (25t or more of packaging)	1,000,000	Over 1,000,000	980
Independent Retailer (between 10t & 25t of packaging)	1,000,000	-	400
Independent Retailer / Off-Licence (25t or more of packaging)	1,000,000	3,809,999	980
	3,810,000	4,439,999	1,078
	4,440,000	5,079,999	1,273
	5,080,000	5,719,999	1,469
	5,720,000	6,349,999	1,568
	6,350,000	6,989,999	1,764
	6,990,000	7,619,999	1,960
	7,620,000	8,249,999	2,156
	8,250,000	8,879,999	2,352
	8,880,000	9,519,999	2,450
	9,520,000	10,159,999	2,647
	10,160,000	10,799,999	2,744
	10,800,000	11,429,999	2,940
	11,430,000	12,059,999	3,137
	12,060,000	12,699,999	3,235
	12,700,000	Over 12,700,000	3,431
Electrical Retailers (between 10t & 25t of packaging)	1,500,000	3,499,999	400
Electrical Retailers (25t or more of packaging)	3,500,000	Over 3,500,000	980
Restaurant (between 10t & 25t of packaging)	1,000,000	-	400
Restaurant (25t or more of packaging)	1,000,000	Over 1,000,000	980

A worker in a red uniform is shown from the side, leaning over a conveyor belt. The worker is sorting through a large pile of white plastic waste, which appears to be household packaging. The background shows a large industrial facility with windows and structural elements.

Household waste packaging recycled saw a decrease of 2.9%, while backdoor packaging increased slightly by 1.2%.

All recycling and recovery targets for 2015 were achieved.

Recovery & Recycling Operations

Recovery and Recycling Tonnes 2014 & 2015

Source Sector	2015 Tonnes	2014 Tonnes	Variance	%
Backdoor	341,493	337,432	4,061	1.20
Household	238,263	245,442	-7,179	-2.92
Recovery	182,708	229,172	46,464	-20.27
Totals	762,464	812,046	-49,582	-6.11

2015 Recovery and Recycling Tonnage Management

In 2015 Repak funded the recovery and recycling of 762,464 tonnes of household and commercial packaging waste, a decrease of 6% on 2014.

The main driver for this decrease has been in the waste to energy recovery of packaging material which decreased by 20%, whereas total tonnes recycled decreased by less than 1%.

The decrease in the packaging material sent for waste to energy recovery was driven by a full review of waste to energy

recovery by Repak. Following the review a revised measurement criteria associated with the contamination and moisture factors was implemented in 2015 which resulted in reduced claims by Recovery Operators.

Household waste packaging recycled saw a decrease of 2.9%, while commercial packaging increased slightly by 1.2%.

Based on the best available data from the EPA we have forecast waste generated up to 2015 and we are forecasting an overall recovery rate of 91% well ahead of the 75% target and a recycling rate of 72% (allowing for a 10% contribution from self-compliers and tonnes recovered and recycled not funded by Repak), ahead of the approved target of 65%.

The direct cost of funding the 762,464 tonnes amounted to €17.642m, €1.816m lower than budget. A total of 579,756 tonnes of packaging waste was sent for recycling and 182,708 was sent for recovery; this includes Solid Recovered Waste (SRF), Refused Derived Fuel (RDF) and waste wood for wood pellet/chip for boiler fuel.

Paper accounted for the largest volume of tonnes recycled (50%), followed by glass (22%) and plastic (12%).

Commodity Markets

During 2015 end market recyclate values saw significant decreases especially across plastic materials, aluminium cans and steel cans. Paper was the only material to increase in value from January to December 2015. The continued fall in crude oil prices and the closure of large steel/aluminium processing plants in the UK had a significant impact on the prices of plastic, aluminium and steel. For the first quarter of 2016 prices had stabilised across all materials.

Recovery Operator Key Developments

The 2015 subsidy reductions implemented gave an equivalent reduction in costs of approximately €2.2m and 10 Recovery Operators were deregistered in 2015 with a saving of €0.400m for tonnes not funded. These recovery operators accounted for 50,000 tonnes in 2014. A full review of the wood protocol in 2015 brought reductions in the amount of packaging claimable by recovery operators from Sept to Dec 2015 as the revised wood protocol was implemented.

Recovery (WtE) Tonnage

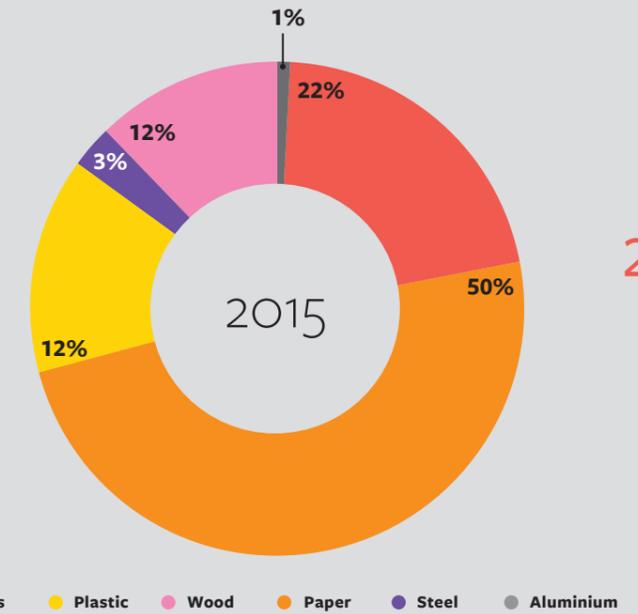
With the major increases in recovery tonnes in 2014 we introduced a full review of this waste stream which included waste characterisation studies. The results of these studies highlighted higher contamination and moisture factors and in conjunction with tonnes that were recovered but not funded by Repak had a significant impact and reduced the tonnes in 2015 by approximately 20%, 46K tonnes.

Inspections/Audits

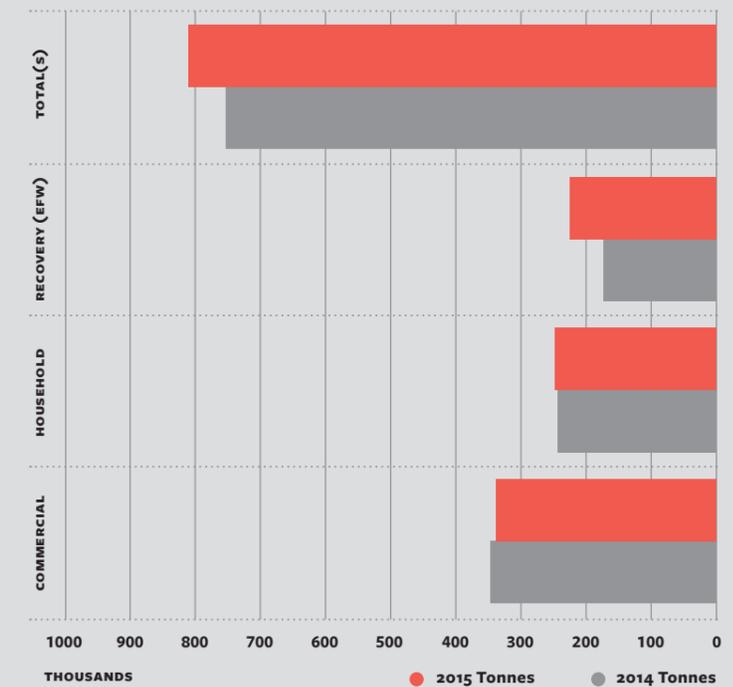
In 2015 96 registered recovery operators provided recycling and recovery services to Repak. During the course of 2015, 84 site visits/audits/waste characterisation studies were undertaken along with the independent financial audits.

There was a review of the Repak verification system for third party outlets in 2015. On consultation with our legal advisors the decision was made to simplify the process to only include the key requirements from the old process and place the full legal responsibility for approval of a third party outlet with the recovery operators. This increased efficiency of process and clear line of responsibility.

Waste Packaging Recovered Tonnage by Material 2015



Recovery & Recycling Tonnage Performance 2015 Vs. 2014



Marketing Communications & Public Relations

Key Highlights 2015

- Over €1,257,000 worth of PR generated across our primary campaigns in 2015 at a cost of €213,430
- 4.7m Facebook accounts reached and 567,000 impressions on Twitter
- Pakman Awards a success with entries up 233% on the previous year

Repak Recycling Week

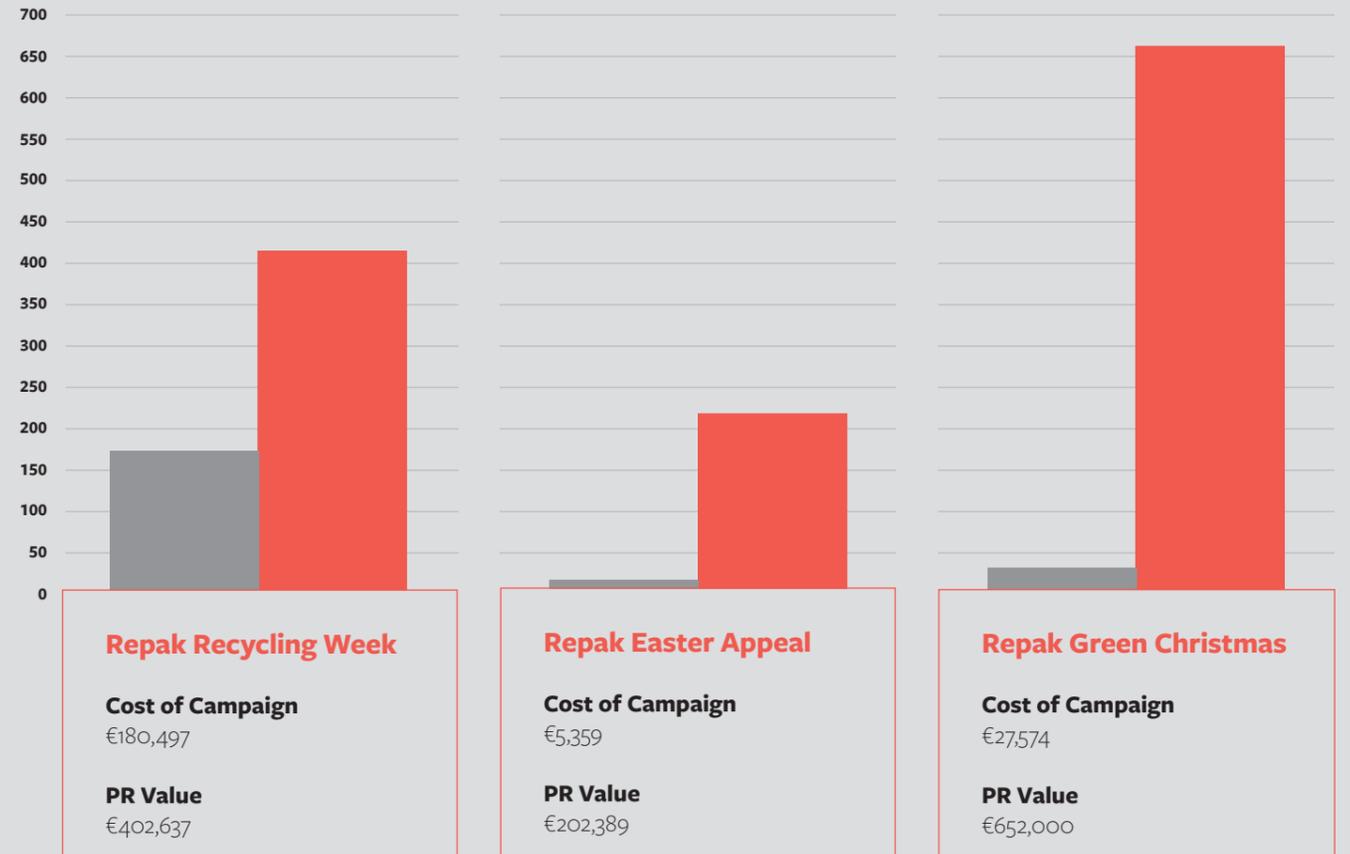
Repak Recycle Week offers Repak the opportunity to remind consumers of the importance of recycling and the role Repak has played in making Ireland one of the best performers in Europe for packaging recycling. Repak has been given increased targets for the recycling of plastics therefore the focus of the Repak Recycle Week campaign was to promote plastic recycling and its benefits. There were 3 creative executions developed to show consumers the real benefits of recycling their plastics. The national campaign focused on a variety of mediums including PR, Outdoor sites, Radio, Digital, Social Media and an On Street Activation engaging our target audiences at as many touch points as possible. The hash tag for the campaign was #makeplasticfantastic.

A homepage takeover (on-line advertising driving people to the plastic recycling page on repak.ie) on the Independent.ie resulted in 1,005,245 impressions, 3,574 clicks and a 0.36% click through rate (CTR) which is well above the industry standard of 0.08%.

On street activation at Barnardo's Square beside City Hall showcased how Repak could inspire the nation to recycle plastic into something fantastic. A bin was in place for Repak Recycle Week which encouraged the public to place their plastics inside it. It was then taken away and the plastics placed in the bin were transformed into the Repak Recycle Week logo which was placed back onto the square for another week. The logo was illuminated at night.

Over the past 12 months Repak's new brand identity has continued to evolve. It stands for what Repak is today, confident, strong and vibrant and continues to be well received among all stakeholders, the public and the media landscape. Our communications continues to be integrated across all our platforms to ensure that our messages are robust and consistent, supporting Repak's objectives in achieving our members and Ireland's packaging recycling targets.

Thousands of Euros



Social media including Facebook, Twitter, Instagram and Snapchat all supported the campaign with the hashtag #makeplasticfantastic. A competition ran asking people to take a photo of them recycling their plastics which automatically entered them to win a prize. The banner on the Repak website reflected the campaign. When the user clicked on the link it brought them to the Repak Recycle Week page which provided the visitor with information around plastic recycling and a short video showing them what plastics they can recycle and how they can turn into something fantastic. The page also had a list of recycling tips and information.

We ran an editorial piece on the Journal.ie which had 26,179 views, 1,358,930 ad impressions and a CTR of 1.9% which is again well above the industry standard.

The campaign received 106 pieces of unpaid media across broadcast, national and regional print, national and regional radio interviews and online publications. The total value of free PR for the campaign came to €402,637.

Repak Easter Appeal

We launched our Repak Easter Appeal with a PR and Social Media campaign. The theme of the campaign was twofold, promoting Repak's confectionary members and their contribution to ensuring that their packaging is recycled while encouraging the recycling of both Easter egg packaging and the additional packaging found over this holiday period. Our social media campaign highlighted Repak's confectionary members' who sold Easter eggs and encouraged consumers to recycle the packaging after their use. The social campaign resulted in 27,408 impressions and an audience reach of 68.5%. The unpaid PR media uptake was excellent throughout the campaign with interviews on UTV and RTE News. National and regional print were also secured with 8 articles appearing. Radio interviews aired with Newstalk, Morning Ireland and 66 other stations nationally. Online coverage resulted in over 15 articles. The total value of free PR for the campaign came to €202,389.

Repak Green Christmas

The Repak Green Christmas campaign focuses on keeping recycling top of mind during the holidays when packaging can increase by as much as 25%.

For the campaign a combination of digital display advertising and a digital partnership and PR was used to target our audience. The campaign was split into Pre Christmas, reminding consumers of the importance of recycling at Christmas and Post-Christmas, encouraging consumers to recycle all their packaging that had accumulated over the holidays. The creative strategy was to develop fun and engage creativity that consumers would interact with, while reinforcing the recycling message with its key benefits. The theme of the campaign was 'Are you naughty or nice' lending itself to find out if the public recycled naughty or nice. We issued a press release based on the theme and conducted research on consumers recycling behaviours which formed as our hook for media. The release delivered particularly well and we received coverage across print, online and broadcast with interviews across the Newstalk Network, TV3 News and Ireland AM with a total free PR value of €652,000, twice that of 2014.

Social Media

2015 saw Repak effectively utilising social media to promote packaging recycling to both consumers and our member businesses alike. We used our social channels to engage customers with the brand and developed increasingly personalised and connected experiences across all of our social touch points. Repak supported our members' packaging recycling achievements, encouraged recycling behavioural change in the home and rewarded consumers for their packaging waste recycling efforts. We are proud to have amassed an engaged community of almost 35,000 consumers and businesses in less than two years, and are dedicated to using our social influence to promote packaging recycling in Ireland.

We are always looking for new ways to encourage Ireland to think about recycling, interacting across a host of platforms including Facebook, Twitter, Instagram, and Snapchat. Online surveys of consumers and our members have had over 5,000 responses in 2015 giving us valuable insights into the Irish recycling habits and how to better serve our members. Since January 2015, Repak has reached over 4.7m Facebook accounts, and in 2015 alone, made over almost 567,000 impressions on Twitter.

Pakman Awards

After 15 very successful years of the Repak Recycling Awards a decision was made to rejuvenate the awards giving them a new identity to reflect, embrace and compliment the new Repak branding. The awards were renamed to the Pakman Awards, lending itself to the Pacman character, a worldwide cultural icon that is synonymous with cleaning up, yet in keeping with Repak's own new identity.

The objective was to expand the categories out to a wider audience, communities and individuals who could demonstrate their sustainability and environmental efforts when it comes to excellence in recycling and waste management. In doing so working with other compliance schemes on a collaborative bases.

The awards were held on the 22nd October in the Shelbourne Hotel. Leading the congratulations and presenting the awards among 300 representatives from leading businesses, organisations and community groups was Minister for the Environment Alan Kelly T.D. Irish Distillers, a Repak member, provided the pre drinks reception. The Irish Independent, another Repak member, acted as the media partner for the event promoting the awards both in print and online. This partnership will continue to ensure maximum exposure for the awards. On the night there were over 70,201 twitter accounts reached and 145,158 impressions with the hashtag #Pakman2015. All attendees left with goody bags, the contents of which had been provided by Repak members including Ikea, Kellogg's, Supervalu and L'Oreal to name a few. The Pakman Award, which represents the overall winner, recognises complete excellence in the environmental approach taken by a business, organisation or community group in all aspects of their operations and sets the highest standard when it comes to their environmental initiatives. The Pakman Awards are a cost neutral event to Repak.



Congratulations to Repak's Pakman award winners for 2015

- **Pakman Award for 2015**
Allied Irish Bank p.l.c
- **Retail Recycling Champion**
Lidl Ireland
- **Food Waste Management Award**
Raidió Teilifís Éireann
- **Waste Prevention Business Award**
Sandymount Hotel
- **Local Authority Recycling Champion**
Sligo County Council
- **Community Recycling Project of the Year**
Ballycanew Tidy Towns
- **Environmental Education and Awareness Initiative**
Boston Scientific Galway
- **Professional Services Award**
Allied Irish Bank p.l.c
- **Waste Collection Operator of the Year (Small)**
Dillion Waste
- **Waste Collection Operator of the Year (Large)**
Panda
- **Green Transport of the Year**
Caffrey International
- **Bring Centre of the Year**
McElvaney's Waste & Recycling

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