



# The Bottom Line

**Annual Report** 2014

**REPAK** 

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# 2014 & 2015 Repak Board Members

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 <p><b>Tony Keohane</b> Chairman</p>	 <p><b>Jim Bird</b> O'Birds Foodmarkets Ltd</p>	 <p><b>Anne Butler</b> Chartered Engineer</p>
 <p><b>Seamus Clancy</b> Chief Executive</p>	 <p><b>John Curran</b> Musgrave Group</p>	 <p><b>David Duffy</b> National Plastic Packaging Group Ltd.</p>
 <p><b>Louise English</b> Chartered Accountant</p>	 <p><b>Ailish Forde</b> Coca-Cola Hellenic Ireland</p>	 <p><b>Jim Mc Neill</b> Kelloggs Company of Ireland</p>

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Excellence in all aspects of business management was the foremost theme for Repak in 2014. It was a transformational year, with the implementation of a series of measures to align the organisation to achieve key objectives for our members and stakeholders. This report sets out the governance, financial and operational performance of Repak in 2014. It provides updates and information on all material matters relating to our business functions. It is delivering on a promise made to you, our members, that you will be kept fully informed on every aspect of how your compliance scheme is performing.

# Introduction

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Our overall performance has again been positively endorsed by government. Our approval to act as a compliance scheme for Irish business has been extended for a further year to December 2019. A five year strategic plan, which is available on our website, has been agreed with the Department of the Environment, Community and Local Government (DECLG). This strategy reflects realistic recycling targets in the context of a growing economy and is built upon the support of our member companies. A key component of our approval is the formalisation of a contingency reserve fund of €20m, which has to be built up over the approval period.

Generation of fee income from a wider membership base, together with cost management, are the two key priorities for the Repak Board in its mission to deliver recycling targets on a value for money basis. Repak was pleased to deliver a surplus pre exceptional items of €2k in 2014. Fee income from members was €24.355m, an increase of 1% on 2013. Recycling costs before exceptional items amounted to €20.279m, which included support for an additional 100,000 tonnes of packaging recycling. Administration costs before exceptional items were €3.997m, before restructuring cost of €392k. This is a 3.5% like-for-like administration cost reduction on 2013.

Member fees remained fixed at 2008 levels, and are intended to remain so up to December 2018. A fee rebate scheme for members was announced during 2014, to commence in January 2015. Early developments in this programme were very positive, with a strong take up by member companies. The programme is expected to return an estimated €1m to members in 2015 who comply with payment and statistical return deadlines.

“Repak members supported the recovery of 812,046 tonnes of packaging waste in 2014, up 14% from 712,054 tonnes in 2013.”

Our recovery and recycling performance was also strong for the year. Repak members supported the recovery of 812,046 tonnes of packaging waste in 2014, up 14% from 712,054 tonnes in 2013. This was achieved at a cost of €20.279m, better than budget by €103k. Ireland’s overall recovery and recycling rates for 2014, based on EPA estimated figures, will be of the order of 95% and 71% respectively. These rates are well ahead of our approval targets and will maintain Ireland’s position as one of the top performers in Europe for packaging recovery and recycling.

Average subsidies paid to recovery operators were €64.22 per tonne for domestic recycling, €12.42 per tonne for commercial recycling and €2.51 per tonne for recovery (waste to energy) across all packaging material types. Recognising the need to facilitate the recycling of increasing tonnages of packaging, while meeting higher targets and managing costs within a market where there is limited enforcement of free-riders, a subsidy reduction programme was implemented in October 2014. This will run to December 2018 and result in a like-for-like cost saving in excess of €2m annually. This will support the maintenance of member fees to 2018, and sustain Repak’s fee structures among the lowest in Europe for full producer responsibility schemes.

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“Member fees remained fixed at 2008 levels, and are intended to remain so up to December 2018.”

The formation on a new Board was completed during 2014. A new CEO was appointed and a management restructuring of the business was completed. Nominations, audit and remuneration committees were appointed, the latter being the responsibility of the full Board. The nominations committee approved the appointment of two Independent Directors, Ms Anne Butler and Ms Louise English. Following a tendering process by the audit committee, PricewaterhouseCoopers were appointed as auditors. Towers Watson were employed to benchmark terms and conditions of employees with market medians, and alignment plans were put in place for employees where appropriate. All of the recommendations in relation to corporate governance recommended in the Report on the Producer Responsibility Initiative (PRI Review) have been implemented.

The Board also dealt with a legacy issue and is pleased to confirm that since year end 2014, Repak has agreed a confidential settlement of its claim against British Polythene Industries plc and Andrew Hetherington without admission of liability by any party, and the proceedings have been struck out with no order to costs.

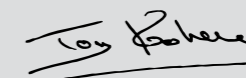
Internal systems were also examined with a view to increasing operating efficiency. The process of implementing ISO9001 (2015) commenced, together with an external IT Security audit to provide assurance that our online systems are in accordance with best standards. A corporate rebranding programme, designed to reflect our mission, vision and values, was launched at the members AGM & Conference in October 2014. Enhanced communications with stakeholders was also part of this process, and a schedule of consultations with recovery operators, government agencies and industry bodies was initiated. Communications with our members, however, continues to be our main priority, and we endeavored to maintain the greatest level of member communication and information during the year.

The PRI Review took note of the deficiencies in the enforcement system and made specific recommendations for improvement. These are now being addressed by the DECLG and the three new regional waste authorities, with dedicated responsibilities and resources allocated. Repak is providing support to all enforcement agencies involved by the sharing of information on free riding non-compliant businesses. Repak member companies and industry representative bodies can

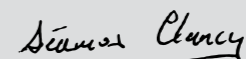
play their part also in the enforcement effort by highlighting non-compliant obligated businesses. Increased membership of the Repak scheme will help to mitigate cost for compliant businesses.

There will continue to be challenges for Repak and its members. Potential regulatory changes are on the horizon. The Circular Economy Package being proposed by Brussels includes proposals for extended producer responsibility, full cost recovery, higher plastic recycling targets, eco-design and packaging taxes. Many of the initiatives are laudable and worthy of support, but many aspects are not in the best interests of our members. Repak has been working closely with our associates in the 27 EU member states and facilitated a common position paper to represent a more realistic approach on what business, both in Ireland and elsewhere, can deliver. We will continue to be vigilant and utilise our key contacts to ensure that our members’ best interests are protected. Dialogue and engagement is key to understanding our stakeholders needs. We welcome and encourage feedback and questions from members on this report, and any other aspects of Repak’s activities.

Assuring you of our best endeavours on behalf of you our members at all times.



Tony Keohane  
Chairman



Seamus Clancy  
Chief Executive



Ireland's overall recovery and recycling rates for 2014 will be of the order of 95% and 71% respectively.

# Governance & Finance

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## 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.

### 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 direct.

### Company Officers

The following individuals were officers of the company as at 31<sup>st</sup> December 2014.

#### Directors

- **Mr Tony Keohane:** *Chairman, Elected Retailer*
- **Mr Jim Bird:** *Elected Scheduled Member*
- **Ms Anne Butler:** *Independent*
- **Mr Seamus 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*

#### Annual General Meeting

The 2014 annual general meeting was held on 17/10/2014 before the Repak Members Conference in the Lyrath Estate Hotel in Co. Kilkenny. The Annual Reports for Repak are available on [www.repak.ie](http://www.repak.ie).

#### Audit Committee

**Members, all Directors:** Ms Louise English (Chairman), Mr David Duffy, Mr Jim Bird. The audit committee was constituted in 2014 and reviewed financial reporting processes in the company. The committee implemented an audit tender process and PricewaterhouseCoopers were chosen by the committee and approved by the Board to act as auditors and tax advisors to Repak.

#### Nominations Committee

**Members, all Directors:** Mr Tony Keohane (Chairman), Mr Jim McNeill, Mr Seamus Clancy.

In accordance with common practice and as required by our Memorandum and Articles of Association two independent non-executive directors were appointed having regard to the business needs of the company — Ms Anne Butler (Chartered Engineer) and Ms Louise English (Chartered Accountant).

#### Remuneration Committee

The full Board of Repak Limited currently make up the Remuneration Committee. In 2014 Towers Watson conducted a benchmarking review of all roles within Repak. A market comparison for each role was conducted for annual base salary and target total compensation. Overall remuneration was broadly in line with market practice.

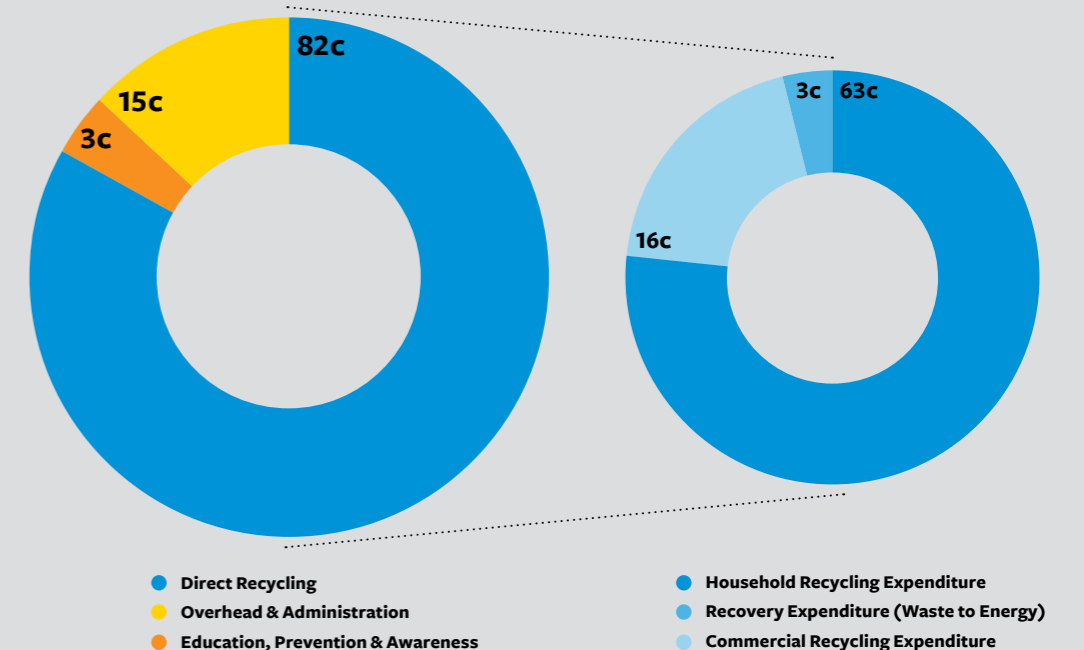
## Finance

### Finance Highlights 2014

- Surplus before exceptional items €1,763 (2013: €17,543)
- Surplus after exceptional items €9.044 million
- Cost control and membership value focus areas for 2014
- Announced a 5% membership fee rebate scheme for 2015 and committed to no fee increases to December 2018
- Direct recycling expenditure before exceptional items €20.279 million
- New contracts entered into with Recovery Operators
- Subsidy reductions continuing through to 2018
- Organisational restructuring process implemented
- Shareholder's funds €18.493 million
- Condition of approval required to build up a contingency reserve fund €20 million by 2019
- Repak will need to generate further surpluses of €1.507m over the period 2015–2019

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### For every €1 spent in 2014



**Income & Expenditure Account  
for the year ending 31 December 2014**

	Result Pre- Exceptional	Exceptional 2014	Total 2014	Restated 2013
<b>Recycling fees recognised in year</b>	<b>24,354,857</b>	<b>–</b>	<b>24,354,857</b>	<b>24,090,542</b>
Direct recycling costs	<20,279,112>	9,252,058	<11,027,054>	<20,371,587>
<b>Gross profit</b>	<b>4,075,745</b>	<b>9,252,058</b>	<b>13,327,803</b>	<b>3,718,955</b>
Administration costs	<4,388,577>	<209,850>	<4,598,427>	<4,143,838>
<b>Operating surplus/(deficit)</b>	<b>&lt;312,832&gt;</b>	<b>9,042,208</b>	<b>8,729,376</b>	<b>&lt;424,883&gt;</b>
Interest receivable	454,317	–	454,317	574,320
<b>Surplus on ordinary activities before taxation</b>	<b>141,485</b>	<b>9,042,208</b>	<b>9,183,693</b>	<b>149,437</b>
Taxation	<139,722>	–	<139,722>	<131,894>
<b>Net surplus per statutory financial statements</b>	<b>1,763</b>	<b>9,042,208</b>	<b>9,043,971</b>	<b>17,543</b>

All figures displayed in Euros.

**Income & Expenditure**

The financial performance of the business in 2014 was encouraging. Revenue from member fees was up, direct recycling costs were down and the underlying fundamentals were positive. The value of the Balance Sheet as represented by shareholders' funds was €18.493m.

The financial surplus for the year before exceptional items was €1,763 (2013: €17,543).

The company has changed its accounting policy in relation to revenue recognition and now recognises revenue billed to members on an accruals basis in relation to the membership year. The company has included a charge for packaging placed on the market, but not as yet presented for recovery in direct recycling costs in order to match expenditure with the revenue recognition policy. Comparatives for 2013 have been restated in order to reflect these changes in accounting policies. The 2014 Financial Statements are available on [www.repak.ie](http://www.repak.ie).

Key focus areas for 2014 were efficiency and cost control. Direct recycling costs before exceptional items were €20.279m (2013: €20.372m). In 2014, 812,046 tonnes were recovered (2013: 712,054).

Administration costs before exceptional items were €4.389m for 2014 (2013: €4.144m). While this represents a 6% increase over 2013, it includes expenditure of €0.392m in relation to an organisational restructuring process. Net of these costs, there was a 3.5% like-for-like decrease over 2013.

An internal organisational restructuring process took place in 2014. The process reorganised functions and personnel into structures more conducive to achieving the organisations current objectives and was substantially complete by end of 2014. The reduction in headcount from this process totalled six full time equivalents and was achieved primarily through individual voluntary redundancy.

Total Communications and Public Awareness spend was €0.532m for the year (2013: €0.535m). As part of Repak's Approval we are committed to a series of national,

regional and local campaigns targeted at the business community and households with the ultimate goal of increasing recycling and specifically packaging recycling.

Interest income is reflective of the historically low deposit rate environment prevailing throughout 2014. We are currently in the process of reviewing our treasury management strategy.

As a condition of approval, Repak is required to build up a contingency reserve fund of €20m by 31<sup>st</sup> December 2019. Therefore, we will need to generate net surpluses of €1.507m over that timeframe.

Exceptional items had a positive impact upon Repak's income and expenditure for 2014 of €9.042m. Details of the 2014 exceptional items are explained below.

**Revenue**

Revenue for the year from members was €24.355m. This represented an increase of 1% from the previous year (2013: €24.091m). At the AGM in October 2014 we announced a 5% membership fee rebate scheme for 2015 and committed to no fee increases at least up to December 2018, subject to market conditions as detailed in our strategy.

**Exceptional Items**

There are two exceptional line items on the face of the Income and Expenditure account.

**Exceptional Direct Recycling Cost Credit**

The company has completed a full review of its level of provisioning in relation to a number of claims and potential amounts due regarding tonnes of waste packaging recovered to the extent that it is probable that payment is likely to fall due. These provisions had been built up over several years in relation to tonnes not invoiced, invoices with insufficient supporting documentation and subsidy rate increases provided for, but not implemented. This has resulted in a once off reduction in direct recycling costs of €9.252m in 2014.

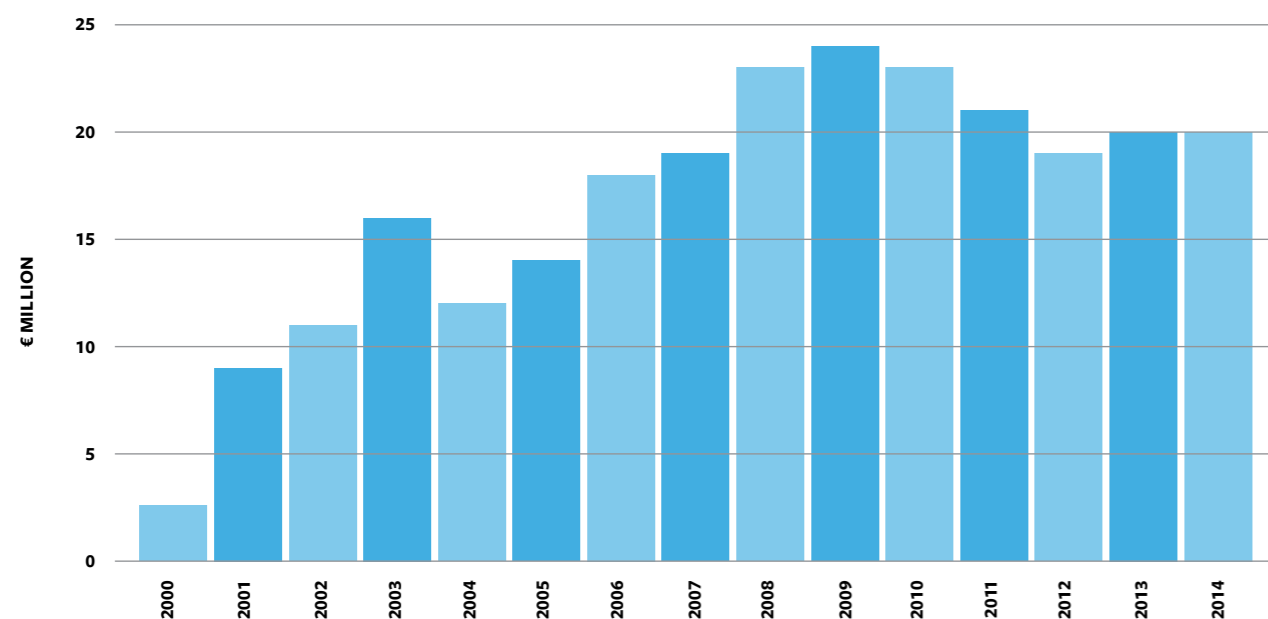
**Exceptional Administration Costs Charge**

The company has become involved in a number of disputes and litigation concerning matters arising in the ordinary course of business. The exceptional charge of €0.210m represents a provision regarding an ongoing dispute and a confidential settlement received in relation to a litigation matter.

Exceptional (Charge)/Credit	€
Direct Recycling Cost Credit	9,252,058
Administration Costs Charge	<209,850>
<b>Total Exceptional Credit</b>	<b>9,042,208</b>

### Direct Recycling Expenditure

2000–2014



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### Balance Sheet

#### Direct Recycling Costs

In 2014 a review of the cost structure covering both direct costs and overheads was undertaken.

€20.279m was expended on recovery and recycling activity in 2014. Total tonnes recovered and recycled for the year were 812,046 — 13,692 ahead of budget (2013: 712,054). A phased subsidy reduction plan was implemented as part of an overall cost review.

#### Fixed Assets

A renovation programme was commenced on the company's office with the objective of introducing an open-plan working environment and modernising the premises with a budget of €0.200m. The renovation programme was completed in early 2015.

#### Trade Debtors

Trade debtors 31<sup>st</sup> December 2014 €0.648m (2013: €1.394m). All significant fees due at year end were paid in early 2015 as part of the normal business cycle.

#### Cash

A prudent approach was taken in 2014 with regard to banking and treasury management. Repak's treasury strategy continued to be risk averse and focused on deposits with Irish banks (AIB, BOI). As previously noted, interest income was reflective of the historically low deposit rate environment prevailing throughout 2014. We are currently in the process of reviewing our treasury management strategy and examining policy options to mitigate low deposit rate returns.

### Balance Sheet as at 31 December 2014

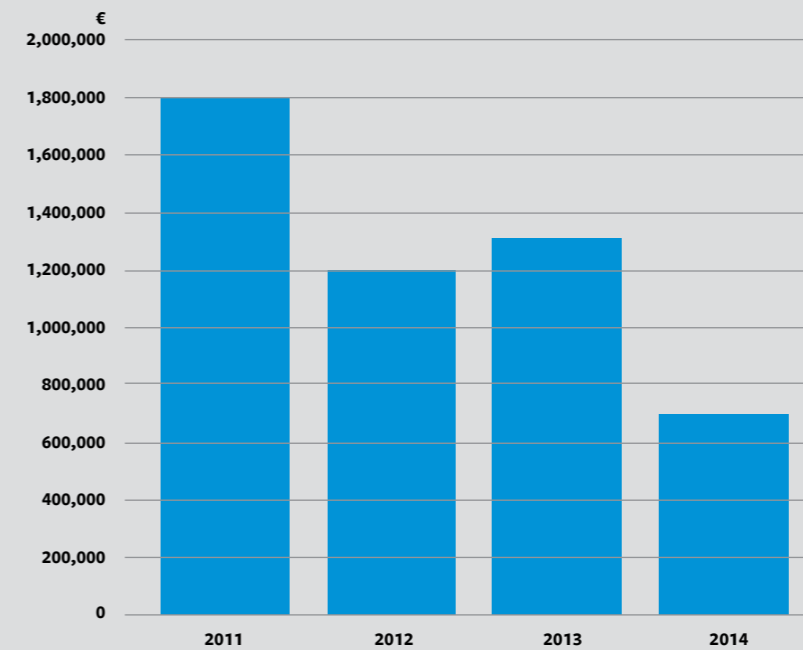
	2014	2013
<b>FIXED ASSETS</b>		<b>Restated</b>
Tangible assets	3,010,244	3,028,179
<b>CURRENT ASSETS</b>		
Debtors	2,901,750	1,885,936
Cash at bank and in hand	24,771,176	25,801,718
	27,672,926	27,687,654
<b>CREDITORS</b>		
Amounts falling due within one year	<12,174,904>	<21,266,406>
<b>NET CURRENT ASSETS</b>	15,498,022	6,421,248
<b>CREDITORS</b>		
Amounts falling due after one year	<14,868>	–
<b>TOTAL ASSETS LESS LIABILITIES</b>	18,493,398	9,449,427
<b>CAPITAL AND RESERVES</b>		
Called up share capital	4	4
Profit and loss account	18,493,394	9,449,423
<b>SHAREHOLDERS' FUNDS</b>	18,493,398	9,449,427

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### Trade debtors at end of year



### Internal Control Processes

#### Quality Management System

The process to achieve ISO 9001:2015 Quality Management System certification was commenced in quarter 3 2014. The objective is to achieve this certification before year end 2015.

#### 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 department account managers.

In 2014 subsidy claims directly reviewed totalled €10.960m (304,000 tonnes). There were no material findings, but a number of small issues arose and resulted in the subsidy payment not being allowed.

The programme continues in 2015 with an emphasis on the larger recovery operators and those with more complex operations.

**IT Systems Testing** - *rols.ie, Repak Online Statistics and rolc.ie, Repak Online Claims*  
 Repak's online presence has grown over 2014 and the majority of its interaction with both members and recovery operators takes place online. Over the year 34% 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 unauthorized, accidental or deliberate disruption, disclosure, modification and use of Repak's information technology resources.

In 2014 our IT systems were externally intrusion tested against international best practice by Outreach Limited.

No high risk findings were noted during testing. A number of minor suggestions were made to further improve the stability of the system and immediately implemented.

#### Packaging Waste Lifecycle Analysis Study

An accrual for the cost of recovering packaging placed on the market by Repak Members, but not as yet presented for recovery of €5.384 million (2013: €5.720m) is reflected in the financial statements.

Direct recycling costs represent payments made to fund the operations of recovery operators, who collect and recover packaging waste on behalf of the company. The company has included a charge for packaging placed on the market, but not as yet presented for recovery in direct recycling costs in order to match expenditure with the revenue recognition policy.

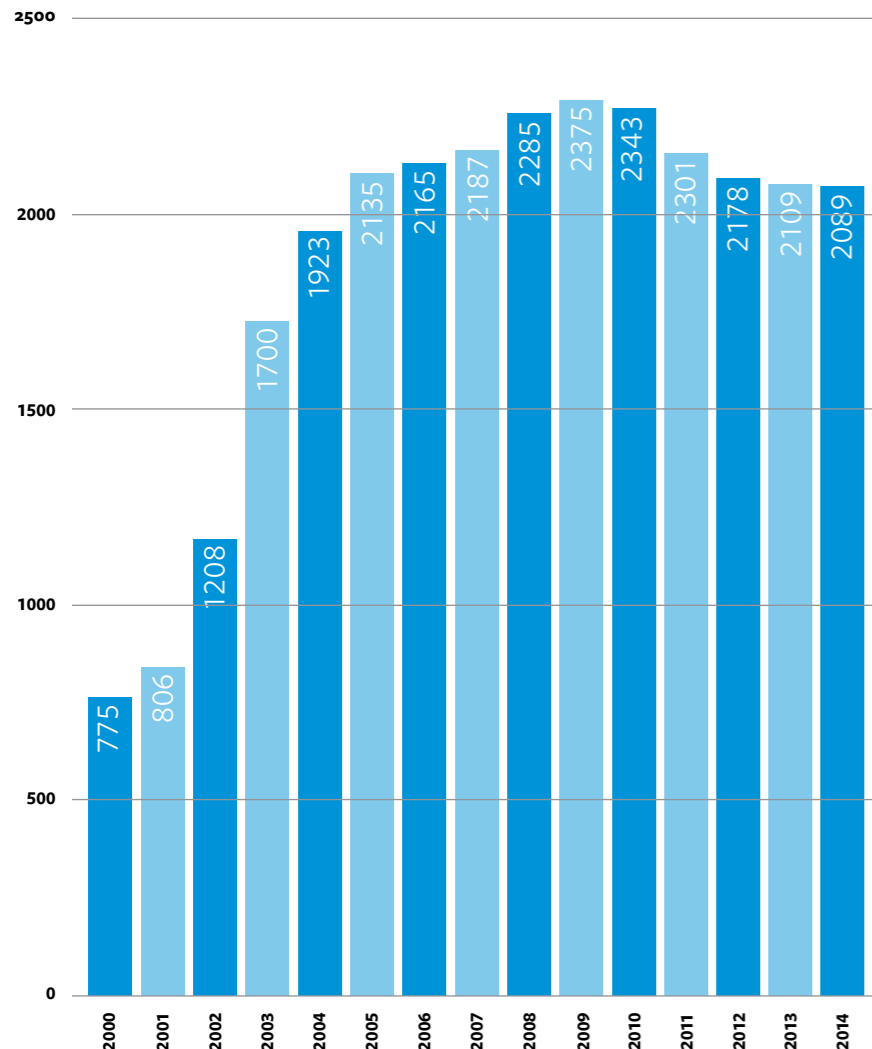
The provision is based on our estimate that it takes on average at least 101 days for items of household packaging sampled (predominantly food and drink) to move from being placed on the market through that part of their lifecycle which ends when a Repak subsidy claim is triggered.



Average subsidies paid to recovery operators were €64.22 per tonne for domestic recycling, €12.42 per tonne for commercial recycling and €2.51 per tonne for recovery

# Membership

**Member Numbers**  
2000–2014

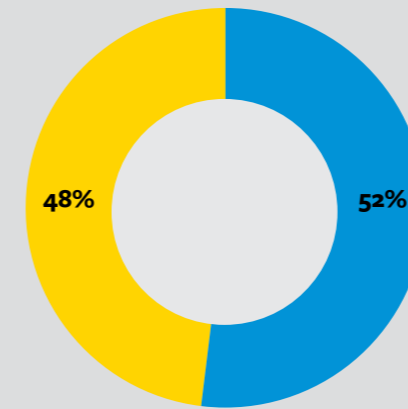


**Membership Numbers and Income**

Total fee income for 2014, including new members, amounted to €24.355m, up marginally (1%) from €24.091m in 2013. Member numbers were relatively stable at end 2014, compared to a continuous year-on-year decline since 2009. The loss in members over that period has been primarily due to company closures, particularly at the smaller end of the membership scale, with sectors such as convenience retailers, hotels and smaller production and distribution companies being worst hit. While there was a loss of some 80 members in 2014, this was lower than in previous years.

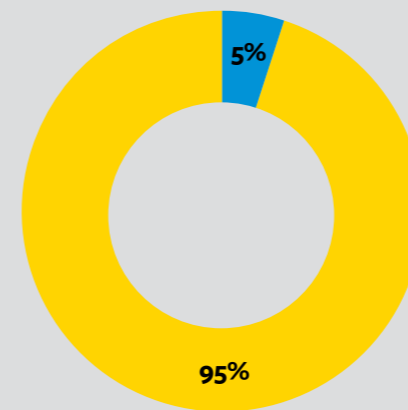
Losses were offset to some degree by the recruitment of some 60 new companies into membership.

**Members by Numbers**



● Scheduled  
● Regular

**Members by Income**



● Scheduled  
● Regular

**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, brandholders, 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 brandholders or importers of the products sold on-site. This category includes independent / franchised retailers, pubs, off-licences and the hospitality sector. Scheduled members pay a once-yearly membership fee, based on a schedule of turnover / tonnage bands.

At end 2014, Repak had 2,089 members, of which 48% were regular members, and 52% scheduled members. The overall contribution of scheduled members, however, is relatively small. Fee income from regular members accounted for 95% of 2014 fee income, with the remaining 5% coming from scheduled members.

A full list of Repak members can be found at [www.repak.ie/members\\_list.html](http://www.repak.ie/members_list.html)

**Members AGM and Conference**

The Repak Annual General Meeting (AGM) and Members Conference took place on Friday 17th of October at the Lyrath Hotel, Kilkenny.

The AGM was the first to be held under the revised Repak corporate governance structure, and was chaired by Tony Keohane, Chairman of Repak. It was followed by the Repak Members' Conference and presentation of the 2014 Repak Recycling Awards. Speakers included Seamus Clancy CEO, Repak; John Lynch, Down 2 Earth Compostable Materials and Padraig Brennan of Origin Green/Bord Bia. The conference and awards were facilitated by Shane Coleman, journalist and Political Editor of Newstalk 106-108, while the awards were presented by Alan Kelly, T.D., Minister for the Environment, Community and Local Government.

The Carton Group, the company that produces Manor Farm chicken, were winners of the Repak Member of the Year Award for 2014. They were also winners also of the Best Packaging Prevention Initiative Award.

**Summary of fees (\*)**

(\*) excl. VAT

	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

The standard fee matrix is as above: 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 22.

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.

**Membership Fees**

There was no increase in members fees in 2014 — the seventh 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.

**Fee Rebate**

It was announced at the Repak Members' Conference that a fee rebate programme for members would be introduced, subject to a number of qualifying criteria.

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 would operate twice yearly, with an amount of 5% of the net of VAT invoice rebated to the member's bank account.

“Repak member fees, compared with other European countries, are among the lowest in Europe”

A similar programme was introduced for scheduled members, with invoice payment required by direct debit on the due date. The programme was set to commence on the first invoice date in 2015. An information and communications programme for members commenced in early December, and indications at year end were very positive that there would be very strong take-up by members of the rebate scheme.

**Enforcement**

While some 60 new member companies were recruited into Repak membership during 2014, the identification and recruitment of obligated companies continues to be a challenge.

The 2014 PRI Review noted that there was an estimated 3,000 businesses who were obligated under the Regulations but were neither members of Repak nor self-compliers. It stated that this can only be attributed to a lack of enforcement and recommended that the enforcement effort on non-compliant packaging producers should be increased. The Review identified the new regional waste management groups as an opportunity to bolster enforcement activity. These groups should lead to better co-ordination and sharing of resources, thus freeing resources which could be allocated towards enforcement. Outsourcing for routine inspections and co-funding by compliance schemes such as Repak would add to their effectiveness.

Repak has been active in its support for a lead role in enforcement by the regional waste management groups. The regions can only play their part in the enforcement drive if they are adequately resourced and given the full backing of all the agencies involved. Repak has committed to providing resources to support their activity, and has been actively engaging in the process for the establishment of 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.

**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 Prevent and Save website, conferences and workshops, and the Positive Packaging newsletter;

Measurement of cost savings both for individual members and Irish industry as a whole;

→ **A Best Packaging Prevention Initiative award for member companies.**

Carton Brothers, who produce the Manor Farm chicken brand, were winners of this award in 2014. On-site packaging prevention projects saved over 237 tonnes of packaging material and led to significant financial savings. Reuse projects also saved over 819 tonnes of packaging waste material. Manor Farm are continually innovating solutions internally and with their customers. As well as their work with Repak, they also have a high level of interaction with Origin Green and Enterprise Ireland on environmental projects. Finalists in this award were Glanmore Foods Ltd and ABP Food Group Ireland;

→ **A Best Sustainable Packaging Design award.**

The 2014 winner was Down2Earth Materials (D2E), who supply the Irish food market with a range of compostable foodservice packaging. They provide Ireland’s largest range of fully compostable packaging and add-on services to over 250 food businesses in Ireland, including practical and sustainable products and solutions in the food and catering industry. McDonald’s Restaurants of Ireland and Arvato SCM Ireland were finalists in this award in 2014.

Repak Scheduled Member Annual Fees

Category	Turnover from (€)	Turnover to (€)	Repak Fee
<b>Hardware &amp; Building Materials</b> (between 10t & 25t of packaging)	1,465,000	3,649,999	400
<b>Hardware &amp; Building Materials</b> (25t or more of packaging)	3,650,000	Over 3,650,000	980
<b>Hotel / Hospitality</b> (between 10t & 25t of packaging)	1,000,000	-	400
<b>Hotel / Hospitality</b> (25t or more of packaging)	1,000,000	Over 1,000,000	980
<b>Pharmacy</b> (between 10t & 25t of packaging)	2,750,000	3,500,000	400
<b>Pharmacy</b> (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
<b>Licensed Premises</b> (between 10t & 25t of packaging)	1,000,000	-	400
<b>Licensed Premises</b> (25t or more of packaging)	1,000,000	Over 1,000,000	980
<b>Independent Retailer</b> (between 10t & 25t of packaging)	1,000,000	-	400
<b>Independent Retailer / Off-Licence</b> (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
<b>Electrical Retailers</b> (between 10t & 25t of packaging)	1,465,000	3,649,999	400
<b>Electrical Retailers</b> (25t or more of packaging)	3,500,000	Over 3,500,000	980
<b>Restaurant</b> (between 10t & 25t of packaging)	1,000,000	-	400
<b>Restaurant</b> (25t or more of packaging)	1,000,000	Over 1,000,000	980

# Recovery & Recycling Operations

Recovery and Recycling Tonnes 2013 & 2014

Source Sector	2013 Tonnes	2014 Tonnes
<b>Commercial Recycled</b>	308,810	337,432
<b>Household Recycled</b>	241,868	245,442
<b>Recovery (Waste to Energy)</b>	161,376	229,172
<b>Totals</b>	<b>712,054</b>	<b>812,046</b>

Household waste packaging recycling had a modest tonnage increase of 1.5%, while commercial packaging waste recycling tonnage increased by 9.3% in tonnage compared to 2013, reflecting signs of economic recovery.

Overall recovery for 2014 based on best available information from the EPA will yield a recovery rate of c. 95%, well ahead of the target of 75%. Similarly, overall recycling performance will come in at 71% (allowing a 2.5% contribution from self-compliers), ahead of the approved target of 65%.

The direct cost of funding the 821,046 tonnes in 2014 amounted to €20,564m payable to recovery operators, €103k lower than budget. A total of 582,874 (72%) tonnes was sent for recycling, while 229,172 (28%) was sent for recovery; this included 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 (49%), followed by glass (21%) and plastic (12%). The breakdown of materials recycled and recovered is illustrated in the pie chart on page 25.

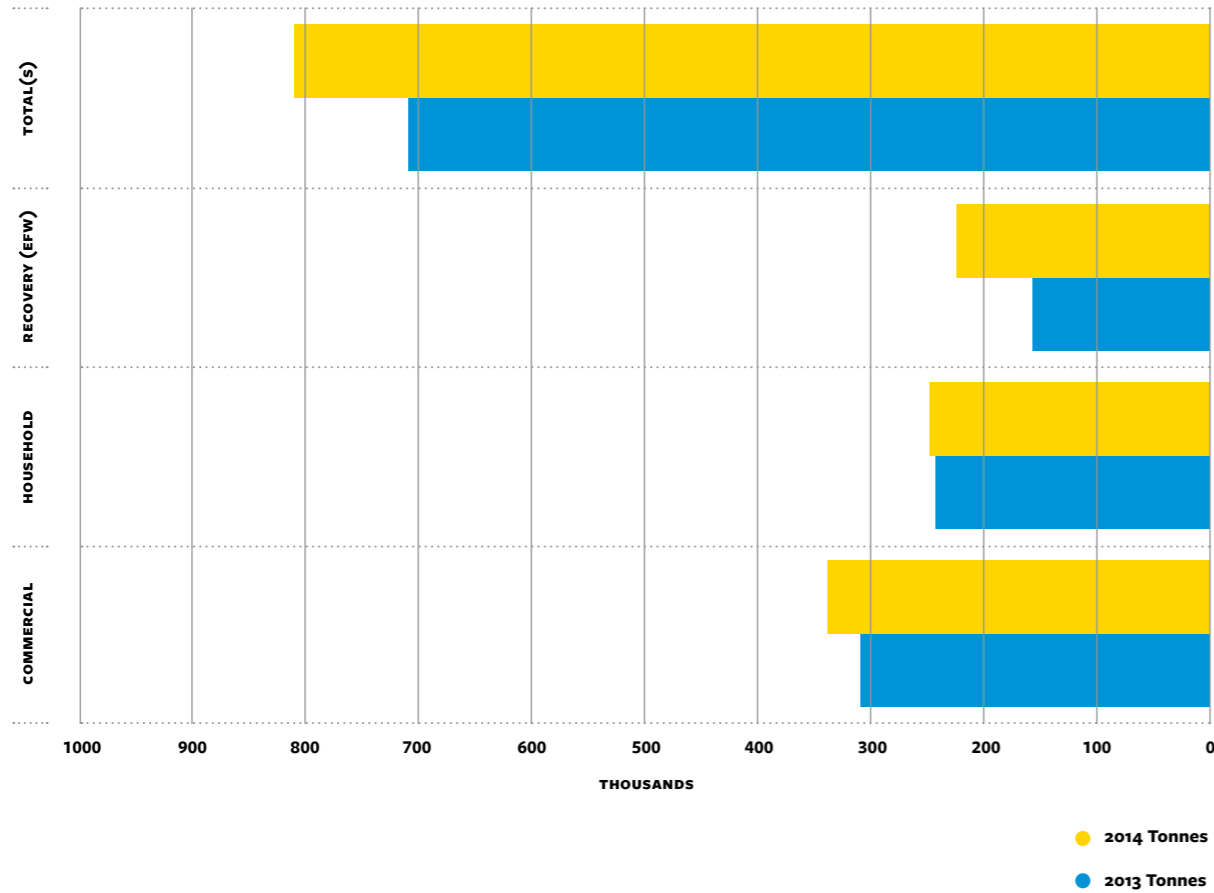
→ Commercial Waste<sup>1</sup> for the context of this report means 'Back Door' waste packaging as described in the European Union Waste (Packaging) Regulation 2012. Recovery (Waste to Energy)<sup>2</sup> is tonnage received for combustion to generate energy through direct incineration with or without other waste but with the recovery of heat at licensed facilities.

2014 Recovery and Recycling Tonnage Management

In 2014, Repak financed the recovery and recycling of 812,046 tonnes of household and commercial<sup>1</sup> packaging waste, an increase of 14% on the previous year (see Table)

The main increase for this has been in the area of waste to energy recovery<sup>2</sup> which grew by 42% year on year. The increase was driven by a number of factors, including diversion from landfill, cost and capacity availability within the waste to energy (WtE) market in Europe.

### Recovery & Recycling Tonnage Performance 2013 Vs 2014



#### Recovery Operator Contracts

Communications with RO representative bodies, the Irish Waste Management Association (IWMA) and individual operators commenced in September 2014 to formalise a new contract to reflect the current needs of all stakeholder deliverables. A new contract term for approved ROs was agreed, which will run to December 2018. As part of the contractual requirements, ROs will provide to Repak a greater level of transparency of their operation through a questionnaire. This is intended to assist Repak to fulfill our approval requirements with the DECLG and build an accurate database upon which ongoing subsidy levels can be considered. The contract can be viewed on [www.repak.ie](http://www.repak.ie). This partnership approach with ROs is based on promoting efficiencies and best practice while delivering recovery and recycling services on a best value for money basis.

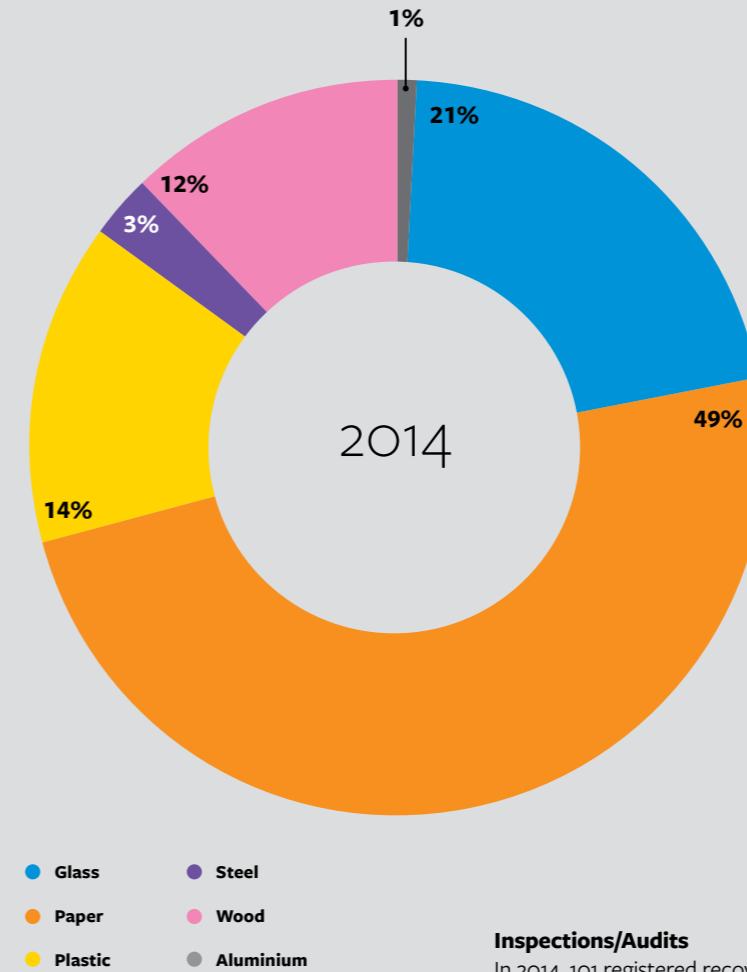
#### Commodity Markets

Overall, end market recyclate values during 2014 remained within average ranges. However, with the value of crude oil falling, there were signs of significant fluctuations in plastic prices. Plastic recyclate commodity values have softened, with some polymers experiencing market price reductions — mainly for poorer quality plastic recyclate polymers (e.g. mixed, coloured, etc).

#### Recovery Operator Briefings

As part of the implementation of the Repak Strategy 2014-2018, Repak hosted a series of nationwide breakfast briefings for registered recovery operators (ROs) to outline the strategy and subsidy levels for the period of our Approval. Each registered recovery operator was briefed on applicable subsidy rates for recycling and recovery (WtE) of Irish waste packaging material. These needed to be aligned to reflect the need of delivering recycling targets within a reasonable cost base for member companies, while providing business planning certainty for recovery operators.

### Waste Packaging Recovered Tonnage by Material 2014




**Recovery (WtE) Tonnage**  
The landfill levy and required diversion from landfill objective has had a significant impact, resulting in a major increase in Refuse Derived Fuel being sent to European licensed incinerator with energy recovery capacity (R1 Plant). This has led to a significant increase in recovery tonnage (229,172 tonnes) which is a major contributor to Repak's overall recovery tonnage performance in 2014.

#### Inspections/Audits

In 2014, 101 registered recovery operators provided recycling and recovery services to Repak. During the course of 2014, 109 site visits/audits/studies were undertaken along with independent financial audits also being carried out. They were conducted to ensure contractual, financial and quality compliance. As reported in previous years, household kerbside mixed dry recyclables contamination by householders is continuing to grow, ranging up to 35% in some cases. This continues to be a major concern and Repak is working with all stakeholders to help identify solutions to this problem. Repak operates a verification control (Audit Trail) system for Irish waste packaging tonnage sent by Repak recovery operators for recycling and recovery (WtE). Some 700 third parties outlets have been used by ROs over the 17 years since Repak's establishment. The fit for purpose of the verification system will be reviewed in 2015.

Third party audit trail information furnished by Repak ROs for use of new facilities outside of the European Union in 2014 was satisfactory to demonstrate that they are broadly equivalent to European Union environmental standards. In 2014, 32 applications from ROs were received for review. 24 of these were agreed upon receipt of adequate documentary and other cross reference information. In addition to these control checks, the Repak On-Line Claim System (ROLC) has built in logic and controls, with checks and balances mechanisms to ensure that all RO claims are compliant within the required terms and conditions.



Communications with our members continues to be our main priority and we endeavoured to maintain the greatest level of member communication and information during the year.

# Marketing Communications & Public Relations

## Key Highlights 2014

- New brand identity has been well received among all stakeholders
- Over €1,512,451 worth of PR generated across our primary campaigns in 2014
- A 23% increase in social fans across all platforms
- '2<sup>nd</sup> in Europe' video has resulted in over 80,000 views
- An increase of 11,771 fans on our Facebook page since May 2013.

Item	June 2013	June 2014	June 2015
Facebook	16,195	23,248	27,959
Twitter	1,099	1,565	2,033
Instagram	N/A	0	196

### Rebrand

In August 2014, Repak developed a new brand identity to better represent the organisation both to our members and the public. We launched the new identity at our annual Repak Recycling Awards and Repak Recycling Week campaign.

Our vision was to build a stronger brand core and messaging which clearly communicates the remit of Repak. This helps build a more value centric relationship with our members, increases brand awareness and visibility while educating consumers about the importance of packaging recycling.

Our new positioning focuses on purpose, process and progress, a brand that is confident and strong, yet approachable, and in its tone speaks as a collective — 'We are all in this together'. New brand identity has been well received among all stakeholders.

### Repak Green Christmas

#### Cost of Campaign

€24,499

#### PR Value

€125,002

### Repak Green Christmas

Our annual Repak Green Christmas campaign focused on keeping recycling top of mind during this heavy packaging consumption period.

For the campaign, Repak designed a wrap with the Metro Herald on the 16<sup>th</sup> December. The communication focused on two messages; thanking Repak members for ensuring there is a recycling bin in front of nearly every home in the country, therefore making it easier to get your Christmas recycling all wrapped up, and secondly, educating the public that there is 20% more packaging around the house over the Christmas period. The wrap was made from recycled paper with the graphic on the inside designed to be used as Christmas wrapping paper, lending to our ethos of reuse and recycle. Repak ran a competition on Facebook asking consumers to upload a photo of a gift they had wrapped with the wrapping paper to win a €250 One4all Voucher.

Repak amended our '2<sup>nd</sup> in Europe' video which was launched at the Repak Recycling Awards to give it a Christmas theme so that it could be used for the campaign. The video appeared across the Irish Times, TV3 Player and You Tube. The video resulted in 701,036 impressions delivered on You Tube, 73,842 in the Irish Times and 29,318 on TV3.

Repak's press release also focused on encouraging consumers to recycle more, making this Christmas a green one. From the release, Repak received 65 pieces of coverage, 11 in print, 2 national radio interviews with Pat Kenny and Morning Ireland, 45 regional radio interviews and 7 pieces online which highlighted the campaign and our messaging.

### Repak Recycling Week

#### Cost of Campaign

€197,337

#### PR Value

€307,764

### Repak Recycling Week

Repak Recycling Week has been Repak's primary awareness campaign for the past 15 years. It is an established campaign in media calendars in October of every year. The focus of the campaign was 'Ireland is now second in Europe', promoting our tremendous achievements from becoming one of the poorest performing countries in packaging recycling to now second in Europe. The media uptake was extremely positive throughout the campaign with 5 articles appearing in national print, 19 in regional print, 68 radio interviews both national and regional including Newstalk Today FM and 10 articles appearing online. Our '2<sup>nd</sup> in Europe' video promoting our members contribution to the recycling of their packaging in Ireland resulted in over 80,000 views.

### Repak Easter Appeal

#### Cost of Campaign

€1,023

#### PR Value

€215,179

### Repak Easter Appeal

Repak launched our Repak Easter Appeal with a PR and social media campaign. The theme of the campaign focused on promoting the recycling of the extra packaging found at this time of the year. A social media campaign highlighted Repak members' who sell Easter eggs and encouraged consumers to recycle the packaging after their use. This ran over the bank holiday weekend and resulted in 27,408 impressions and an estimated audience reach of 68.5%

The media uptake was excellent throughout the campaign with interviews on UTV and RTE News. 8 articles appearing in national and regional print, radio interviews were also conducted with Newstalk, Morning Ireland and 66 other stations. Online coverage resulted in over 15 articles.



**Junk Kouture Sponsorship**

**Cost of Campaign**

€110,000

**PR Value**

€864,506

**Junk Kouture Sponsorship**

Repak proudly supported the Junk Kouture Recycled Fashion Competition 2014 for the first time. The competition challenges secondary schools students to create an outfit out of everyday waste materials and recycled resources. The programme is key to driving behavioural change with recycling among second level students. 366 schools entered the competition this year with 2,673 second level students participating in total. There were four regional finals held in March with over 300 teams shortlisted to the grand final in the 3 Arena in April 2015.

In line with Repak's involvement, each outfit had to incorporate an element of a Repak member's packaging. This mandatory feature highlights the importance of responsible recycling and encourages teachers and students not only to learn more about the materials being used but also how they can be easily recycled. There was an overall prize for the best use of a Repak member's packaging and this was won by students from Scoil Mhuire Community School in Clane with their dress featuring all Brennan's Bread packaging called 'Fresh 'n' Famous'.

To encourage plastic recycling behaviours, Repak had an attention grabbing display and activation in the foyer of the 3 Arena encouraging students to 'Bin the bottle' and to get as many plastic bottles into a variety of green bins as possible.

We produced a video for the interval of the Junk Kouture grand final in the 3 arena which now has reached an audience of over 14,000 on our Facebook page and highlights how our members contribute to the recycling of the packaging that were used in many of the dresses during Junk Kouture.



**National Spring Clean Sponsorship**

Repak sponsored the National Spring Clean, Ireland's largest anti-litter initiative, providing them with colour coded bags for recyclable materials only. The bags ensure that the waste collected does not go to landfill. There were 5,130 registered events this year and over 500,000 people took part in the campaign. It is estimated that 35% of the total waste collected is recycled.

**Repak Tidy Towns Sponsorship**

The Tidy Towns Competition represents a sense of community in Ireland's villages and towns. Each year the competition attracts over 700 entrants competing for a cash prize and the title of 'Ireland's Tidiest Town' Repak sponsored two categories in 2014, the 'Regional Awards' and the 'Repak Best Presented Bring Bank'. Throughout October and November the winners were presented with a plaque and a cash prize commemorating their success.

**Website**

Repak will launch a new website in line with our recent change in brand identity in Q2 of 2015. The site will have a clear content architecture with both corporate and consumer areas. The new website is designed to ensure that it is user-friendly for both our members and consumers to navigate. Additionally, the website will be responsive design and optimised for all mobile devices.

**Social Media**

Repak, under its approval with the government, is required to drive behavioural awareness campaigns to convey the importance of packaging recycling to consumers in Ireland. Repak's online traffic and social media strategy continues to grow with a schedule of content prepared and uploaded to each platform three times a week. The social content promotes best recycling practices, contamination awareness and prevention while highlighting our member's products that can be recycled. Activations and competitions help us grow our fan base, promote our key messages and let us reward our fans.



**Repak Awards 2014**

Congratulations to Repak's award winners for 2014.

**Repak Recycling Awards**

Rewarding the philosophy of Reduce, Reuse, Recycle and to promote excellence in recycling, eight awards were presented at the Repak Recycling Awards by the Minister for the Environment, Community and Local Government Mr. Alan Kelly. The awards are part of Repak Recycling Week and were received by our members, waste contractors and Local Authorities.

- **Repak Member of the Year Award sponsored by Arthur Cox:**  
Manor Farm
- **Repak Recovery Operator of the Year – Large Company sponsored by Repak:**  
Irish Packaging Recycling Ltd.
- **Repak Sustainable Packaging Award sponsored by AIB:**  
Down 2 Earth Materials
- **Repak Best Practice Award – Hospitality Sector sponsored by Rehab Glassco:**  
Buswells Hotel
- **Repak Best Packaging Prevention Initiative sponsored by the EPA:**  
Manor Farm
- **Kerbside Collection Service of the Year Award sponsored by Tetra Pak:**  
Clean Ireland Recycling
- **Repak Recovery Operator of the Year - Small to Medium Company sponsored by CIWM:**  
Leinster Environmentals
- **Repak Civic Amenity/Recycling Centre of the Year sponsored by Rehab Glassco:**  
Kilkenny County Council – Dunmore Recycling and Waste Disposal Centre
- **Every Can Counts Champion's Award sponsored by Alu Pro Ireland:**  
Limerick City & County





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