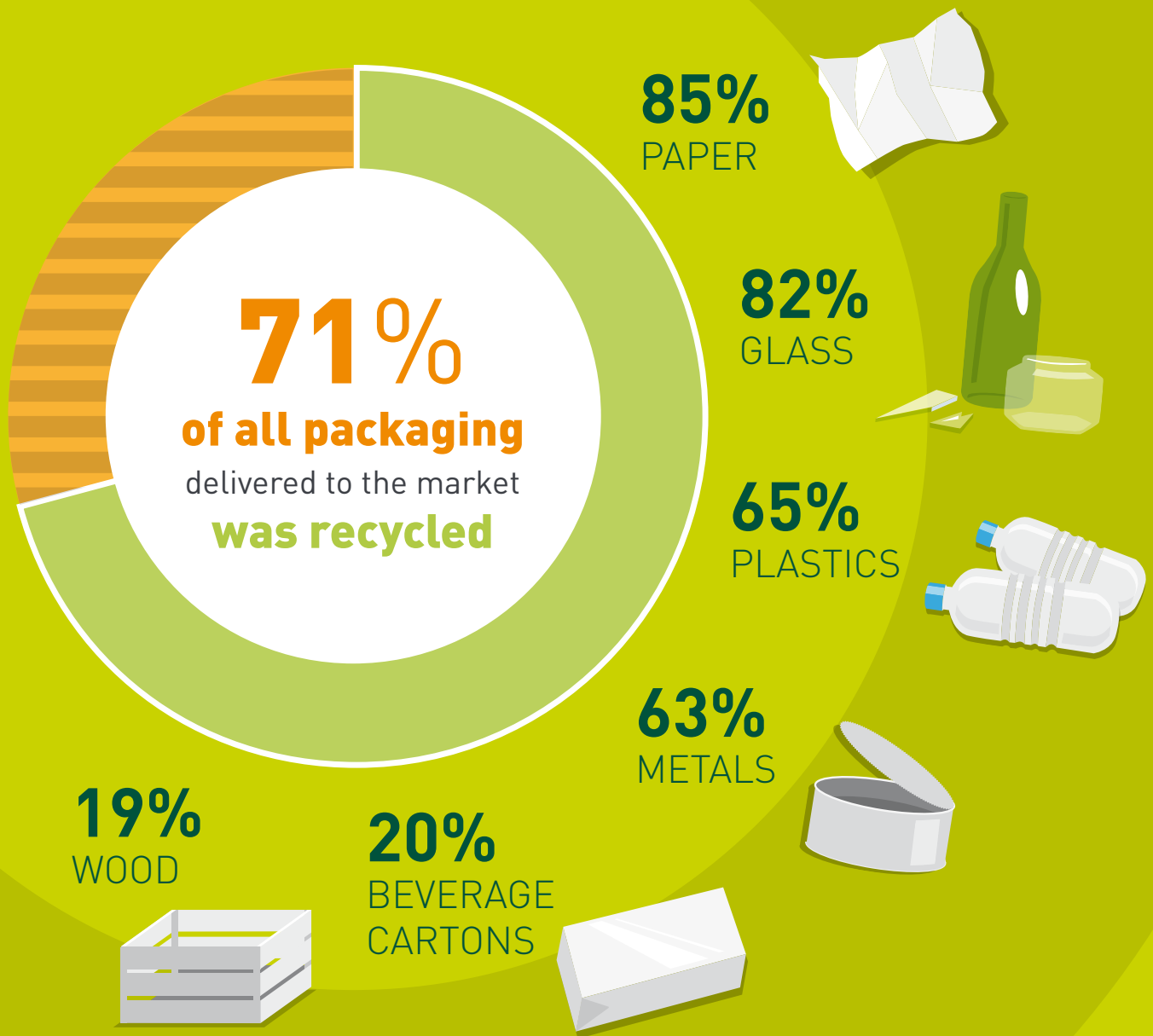


# ANNUAL SUMMARY

# 2012



# 2012 in figures



## How many Czech citizens sort waste?

**2002**

**56%** of citizens sort waste

**44%** do not

**2011**

**68%** of citizens sort waste

**32%** do not

**2012**

**70%** of citizens sort waste

**30%** do not

0 20 40 60 80 100%

 % of citizens that sort waste

 % of citizens that do not sort waste



**607,005 tonnes of waste**

were sorted and recycled as secondary raw material



**59.1 kg**

of recyclable material (plastics, metals, paper, glass and beverage cartons) were sorted out by each of us



**51,000 tonnes of waste**

were used to produce heat or electricity



**6,025 municipalities and 20,241 clients**

are actively participating in the packaging waste sorting and recycling system



**A 2-minute walk**

or 102 metres is the average distance to the coloured containers

sorting and recycling saved

**27,034,318 GJ** of energy

Sorting and recycling of packaging waste in 2012 reduced emission production by

**1,114,840 tonnes of CO<sub>2</sub> equivalent**

helping save 27,034,318 GJ of energy, which is e.g. 162 days of production of the Temelín Nuclear Power Plant. This amount of energy is the average annual consumption of more than

**300,000 households = 1 region**

## Dear Clients,

During the past ten years, EKO-KOM has provided for the recovery and recycling of more than 5 million tonnes of packaging waste as an authorised packaging company. In terms of space, this is an amount equivalent to half of Říp Mountain. Last year, our **authorisation was extended until 2020**. At the same time, recycling targets and other requirements for our activities, in particular in audit, control, school education and the density of the waste collection network, became stricter. It seems that we will have to make sure that all of Říp is “recycled”, and a bit more, by 2020. To achieve this,

we will continue to depend on the active cooperation of consumers. It will be necessary that at least three quarters of them sort waste, each with an efficiency of about 90%. And this will not be an easy task. However, in spite of these additional, new and stricter obligations, we are ready to fulfil them because of our intensive work on long-term take-back and recovery of packaging waste. Thanks to your participation in the EKO-KOM system, **99% of citizens have the ability to sort waste into 229,000 publicly accessible coloured containers**.

The entire system of sorted packaging waste collection and recycling in the Czech Republic, which is operated in collaboration

**2003 – 2012**

More than 5 million tonnes of waste recovered and recycled; this is a heap half the size of Říp Mountain

So far:  
**5,000,000  
tonnes of waste**  
=  
**1/2 OF ŘÍP**



**with 6,025 municipalities, is available to ten and a half million consumers on a 24/7 basis.**

This is a concrete, tangible and quantifiable contribution of businesses to the protection of the environment. Due to the fact that **70% of Czech citizens are using the system, more than half a million tonnes of waste** do not end up in landfills every year.

The entire system of sorted waste collection and disposal requires high-level logistics and costs money. The EKO-KOM system prides itself on **being transparent**. Every year it undergoes both a financial audit and a system audit that verify the fulfilment of the obligations resulting from

the authorisation. Lists of fees for municipalities, sorting lines and processors are publicly available on the Internet. It is also possible to find the conditions under which we purchase take-back, recycling and recovery services, which is unique among EU countries.

**I would like to thank you for your participation in the sorted packaging waste collection and recovery system.**

I believe that you will find interesting information in this Annual Summary, which will give you insight into packaging waste take-back and recovery.

**Ing. Zbyněk Kozel**

General Director

**2013 – 2020**

Precondition:

**3/4 of consumers  
sort waste  
with 90%  
efficiency**

By 2020, we will have to make sure all of Říp gets “recycled”, and a bit more

The **environmental burden decreased** in 2012, as there is **1,114,840 tonnes of CO<sub>2</sub> equivalent less** in the atmosphere thanks to waste sorting and recycling. This volume corresponds to the production of **emissions of public transport buses in the entire Czech Republic over more than 5 years**. Total energy savings correspond to almost **7 years of electricity consumption by public lighting in the entire Czech Republic**. These data have been confirmed by an LCA expert study that examines product life cycles and environmental impact in great detail.

27,034,318 GJ  
of energy

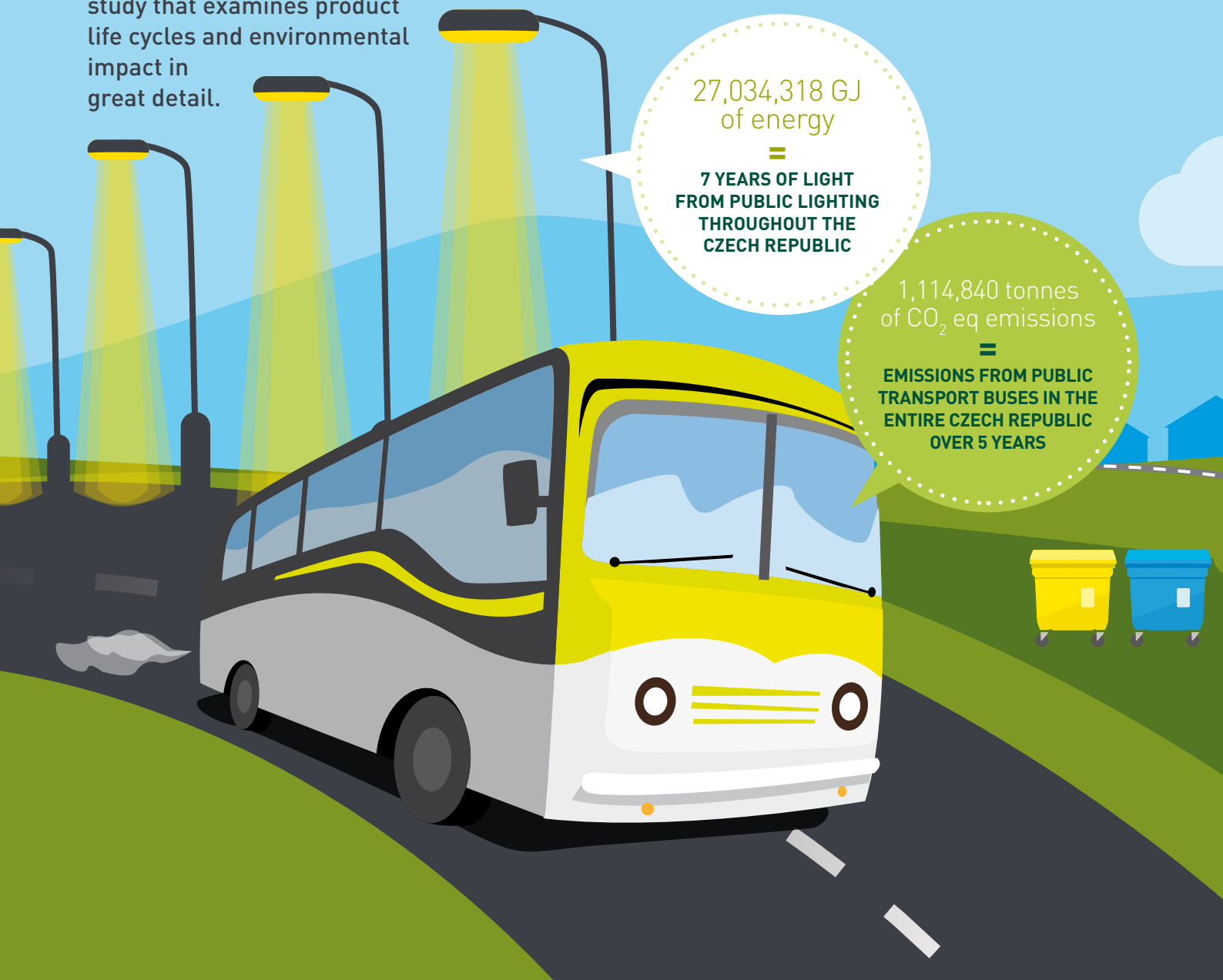
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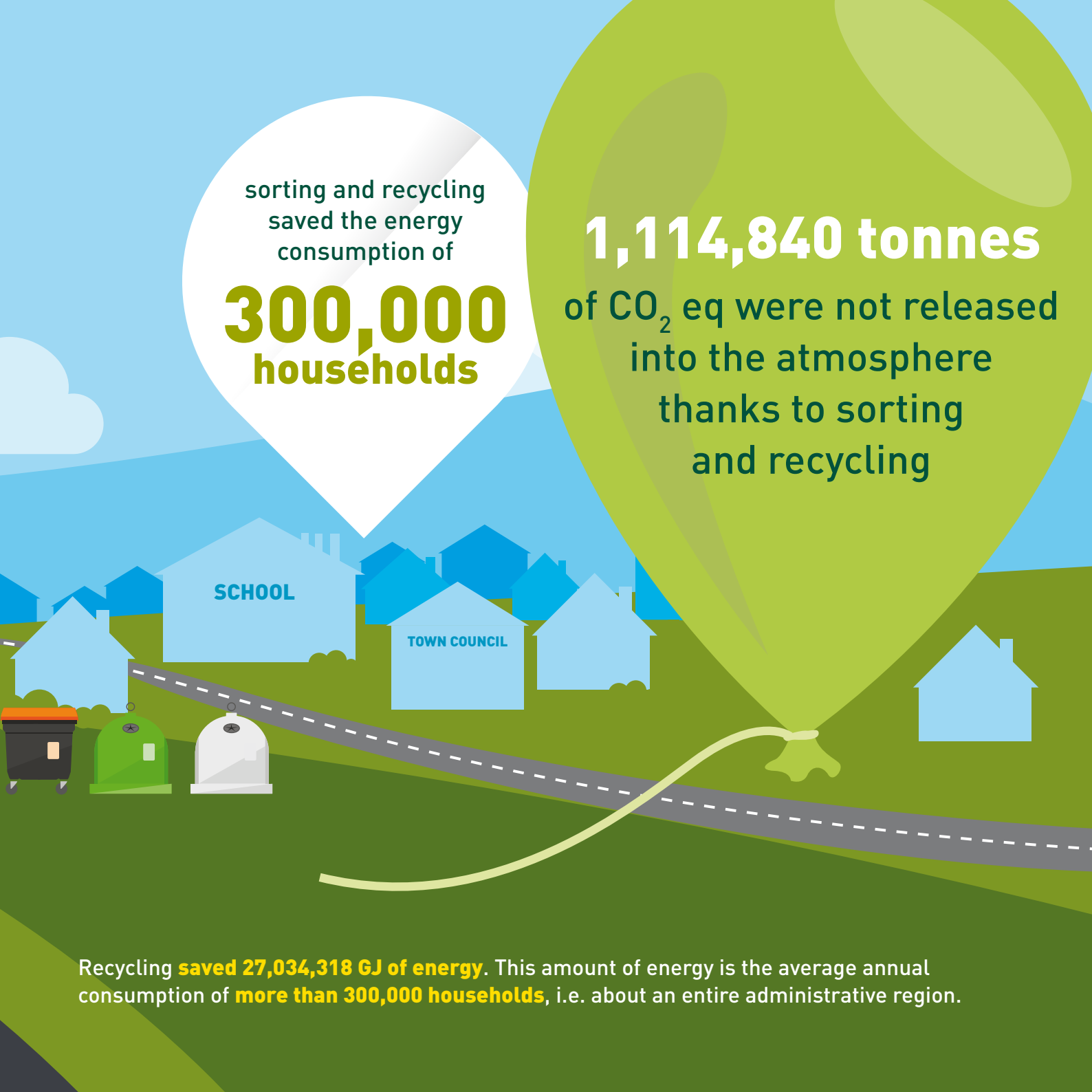
7 YEARS OF LIGHT  
FROM PUBLIC LIGHTING  
THROUGHOUT THE  
CZECH REPUBLIC

1,114,840 tonnes  
of CO<sub>2</sub> eq emissions

=

EMISSIONS FROM PUBLIC  
TRANSPORT BUSES IN THE  
ENTIRE CZECH REPUBLIC  
OVER 5 YEARS



An infographic with a stylized landscape background. In the foreground, there are three recycling bins (black, green, and white) on the left. A road with a dashed white line runs across the middle ground. In the background, there are blue houses, one of which is labeled 'SCHOOL' and another 'TOWN COUNCIL'. A large green speech bubble on the right contains text about CO2 savings. A white speech bubble on the left contains text about energy savings. A large green circle on the right contains text about CO2 savings. The sky is blue with a few clouds.

sorting and recycling  
saved the energy  
consumption of

**300,000**  
households

**1,114,840 tonnes**  
of CO<sub>2</sub> eq were not released  
into the atmosphere  
thanks to sorting  
and recycling

Recycling **saved 27,034,318 GJ of energy**. This amount of energy is the average annual consumption of **more than 300,000 households**, i.e. about an entire administrative region.

# About EKO-KOM

## 16 years of operations

EKO-KOM has been providing a collection, recycling and recovery system for sorted packaging waste in the Czech Republic for 16 years. The EKO-KOM system currently involves **20,241 company clients and 6,025 municipalities**. This requires support from industry and close collaboration with municipalities, as well as participation by waste management companies and recycling facilities, which are also our contractual partners. As legal requirements for increased recycling become stricter, we incrementally expand our waste collection network. Today, **99% of people have the ability to sort waste into 229,000 coloured containers**.

## Education is crucial

However, even an easily available waste collection network cannot ensure that citizens sort waste. This requires **motivating and educating** consumers repeatedly. We conduct communication and education campaigns, through which we have managed to convince **70% of Czech citizens to systematically sort waste** during the past 10 years.

## Transparency first

As an authorised packaging company, EKO-KOM is subject to regular stringent checks; first of all, its economy is reviewed by the

shareholders comprising solely of private companies that put packaging on the market in the Czech Republic, namely through their representatives on the Board of Directors and Supervisory Board. **EKO-KOM may not appropriate its profit and thus, improved efficiency directly affects the price of combined performance**, as minimum costs associated with the launch of products on the market are of concern to shareholders and company clients alike.

## Company audit

Besides a **standard financial audit**, the company undergoes a considerably **wider audit**. The results of this system audit are submitted to the Ministry of the Environment, which performs regular inspections of EKO-KOM. Another public authority supervising the company is the **Financial Directorate**, concerned mainly with the method of pricing, especially with respect to whether any type of packaging is favoured or, conversely, disadvantaged.



16

**16 YEARS**  
of operations

**70%**  
of citizens  
sort waste

**6,025**  
municipalities

**20,241**  
clients

more than  
**600,000**  
tonnes of  
waste sorted



GLASS

PLASTICS

PAPER

BEVERAGE  
CARTONS

METALS

WOOD

2012

# Education and edification of citizens is important

EKO-KOM conducts nationwide and local education campaigns to promote the collection and recycling of sorted packaging waste every year.

## Informing the consumer

Communication activities are given by the strict authorisation conditions that oblige EKO-KOM to inform consumers about the necessity of sorting and recovering packaging waste every year, **reaching at least 90% of Czech citizens aged 8 or more.**

Besides fulfilling legal requirements, communication consumer campaigns play a motivational role with respect to citizens. Their willingness and participation is one of the fundamental pillars of a well-functioning system of sorted waste collection in the Czech Republic.

## More than 15 years of education

EKO-KOM started its edification activities more than 15 years ago by launching a school education programme, the first and only at that time, which focuses on familiarising schoolchildren with waste sorting and recycling. With minimum investments in the project, the company approaches teachers, pupils

and students from schools across the Czech Republic and it has managed to reach a **whole generation of children over the 15 years.** Education of children has proven to be very effective: children are easy to motivate to sort waste properly, making them ideal “ambassadors” – they usually involve the whole family in waste sorting at home and like to control the quality of sorting, they are interested in other recycling processes and retain these good habits in their adulthood.

EKO-KOM has used a mix of all suitable communication channels and tools, including the Internet and printed media, in its information activities. EKO-KOM has participated, and is participating in many activities related to the promotion of waste sorting and recycling, from exhibitions, such as the **“Gateways of Recycling” touring exhibition, the “O Balyňě” theatrical performance for children,** to various other indoor or outdoor activities. EKO-KOM is also involved in the **unique “Clean Festival” project,** introducing, in collaboration with other partners, waste sorting to the twenty major music festivals. Festival visitors have handed in more than 1,000,000 half-litre plastic cups for recycling during the 5 years of existence of the project; a total of 135 tonnes of plastics, paper, glass and cans have been sorted for the duration of the project. This project, perceived highly positively by the general public, is also a tool for reducing littering.

The topic of sorting and recycling itself has become so interesting for some Czech artists that they actively support it within their own activities.

## Informing the expert public

The company also pursues its information and education activities at a local level, e.g. during **seminars for mayors, as well as for teachers**. On the other hand, EKO-KOM holds **seminars for its clients**, which are free of charge, like any other of its seminars. EKO-KOM also participates in the preparation of various sorting and recycling-themed TV shows and programmes for kids, intensifying the scope of reach among the target group.

## Samosebou.cz, a music & recycling website

Samosebou.cz combines the **topic of recycling, music and entertainment** in an attractive manner. Bands such as Divokej Bill, Mňága a Žďorp, Toxique, Wohnout or Tatabojs are involved in this unique project, which has already reached hundreds of thousands of people. The bands also promote sorting among their fans.

The website, which can also be accessed from mobile devices, has a music section, as well as a movie section. It features **amazing short films**, which dispel myths about waste sorting in an entertaining way. There are also **games and various applications** in which visitors can test their

knowledge of waste sorting and recycling.

## “Tony Packaging on the Road” school education programme

EKO-KOM has been educating pupils and students on a long-term basis about proper waste disposal through the “Tony Packaging on the Road” school programme. More than 1,700,000 children have been involved in the programme since its origination in 1998. The “Tony Packaging on the Road” school programme is a programme accredited by the Ministry of Education and EKO-KOM provides it to schools for free. On suitable occasions, this school programme is accompanied by various activities including outdoor events in town squares or exhibitions in various parts of the Czech Republic.

## And it's all thanks to you

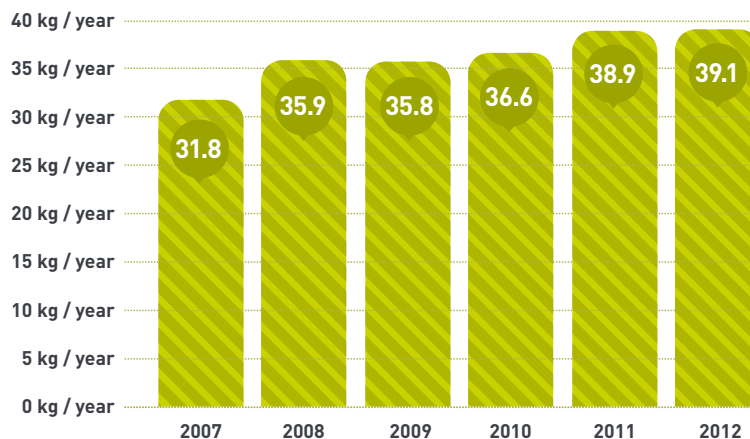
The system of packaging waste sorting and recycling is successful thanks to the support of you, our clients. With your cooperation, **99% of citizens can sort waste into 229,000 containers**. Aided by financial contributions, your company directly helps improve the quality of the environment.

Since the legal requirements on the percentage of packaging waste recycling are becoming ever more demanding, it will be necessary to sufficiently motivate consumers to sort municipal waste in the future.

# Citizens' participation in sorting and the amount of sorted waste have been increasing



## Amount of sorted waste per citizen per year (plastics, paper, glass, beverage cartons)

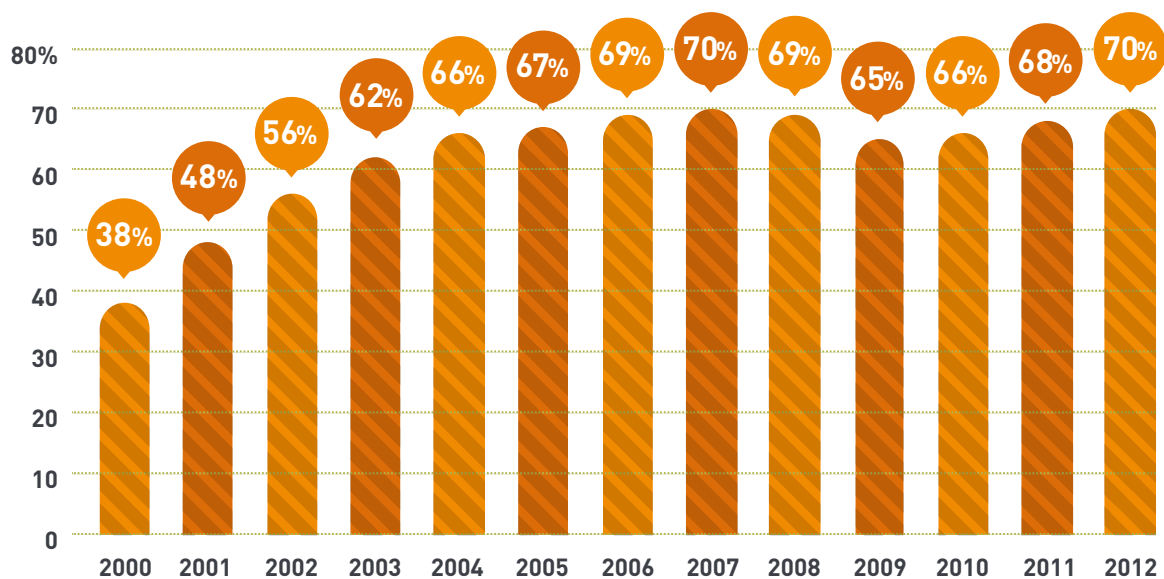


## The amount of sorted waste has been growing

With the increasing participation of citizens in waste sorting, the amount of sorted waste per citizen per year has been gradually growing as well. While six years ago, each of us sorted out 31.8 kg of waste per year on average (plastics, paper, glass, beverage cartons), in 2012, we sorted out 39.1 kg of waste.



## Active participation of citizens in sorting has been increasing



# Structure of costs

The activities of EKO-KOM as an authorised packaging company are subject to legal obligations that EKO-KOM has to fulfil every year. The obligations arise from Act No. 477/2001 Coll., Packaging Act.

To fulfil the obligation of taking-back used packaging from consumers on behalf of its clients, the priority of EKO-KOM is to ensure the sufficient availability of collection points for packaging waste. The minimum density of this network of collection points is **defined by the Ministry of the Environment in the authorisation** that entitles EKO-KOM to serve its clients. Compliance with this condition currently consists mainly in the availability of **229,000 coloured containers** installed throughout the Czech Republic.

To ensure the efficient recovery of sorted waste, EKO-KOM also has to secure economic conditions for its final sorting (treatment) and subsequent processing into quality secondary raw material that may then be put to its final use. Demonstrable and properly documented recycling of sorted waste is the second obligation imposed by the Act. Providing and operating take-back points, final sorting and recycling of waste and keeping statutory documentation of received packaging waste and the method of its recovery account for **94% of all company costs**.

Public promotion of sorting, including television advertising, is a requirement specified directly by the Ministry of the Environment, which has also specified the mandatory minimum scope of such communication. For the system to function

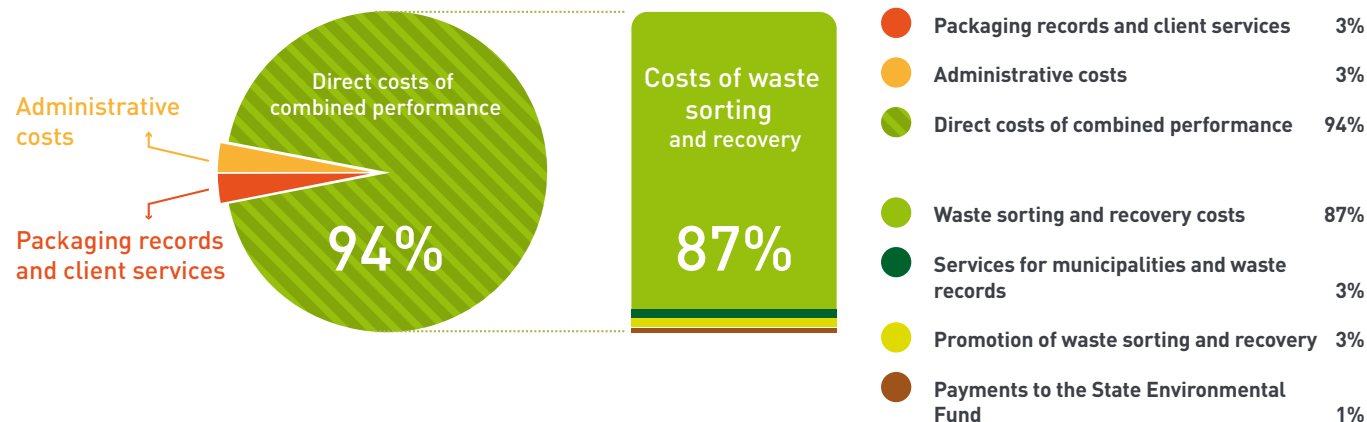
properly, it is important that people not only sort waste but also sort it correctly, as low-quality sorting unnecessarily increases the costs of final sorting lines, which makes the entire system of subsequent waste disposal more expensive. Every year, **3% of the total costs of the company** go into these campaigns (nationwide and regional projects concerning technical assistance for the collection of sorted waste). The promotion also involves organising seminars for clients, schools, teachers and local authorities, which are provided free of charge by EKO-KOM. Administrative costs (company overhead), company publicity, legal and other services and company management costs represent **3% of the total costs of the company**. The last and the smallest portion of the costs is one per cent consisting of mandatory payments to the State Environmental Fund for registration in the List of Persons (Section 30(2) of the Packaging Act).

## Efficient and transparent system

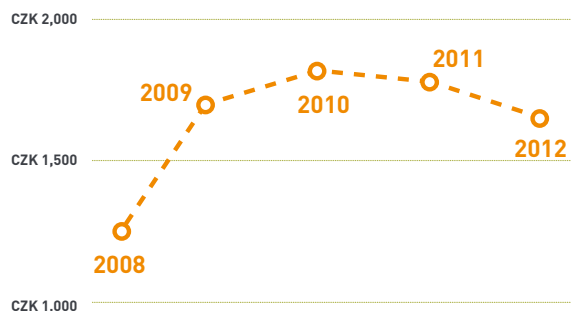
**The fact that the system is very transparent** is demonstrated, for example, by all packaging waste take-back, final sorting, processing and recovery agreements being unified for all contractors and publicly known, which is quite uncommon in Europe, even in Western Europe.

# Structure of EKO-KOM costs in 2012

The largest portion of the costs of EKO-KOM, a not-for-profit authorised packaging company, equals **97% and comprises costs directly related to the collection and recovery of packaging waste, including the promotion of sorting** under the conditions arising from the Act. The remaining share are costs associated with the management and administration of the company and its own communication projects.



## The average client fee for packaging waste take-back and recovery per tonne in 2008-2012

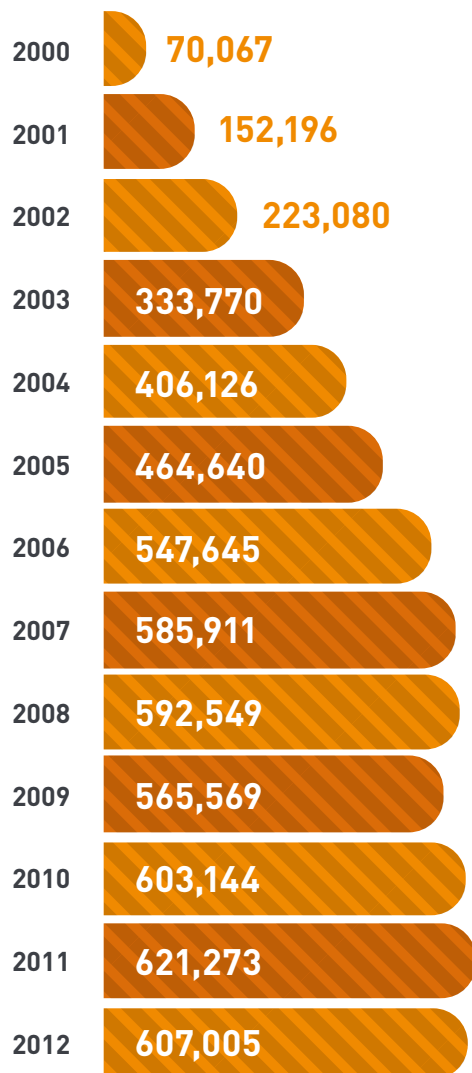


## The fee amount is also determined by the prices of secondary raw materials

The amounts of the fees for packaging waste take-back and recovery promptly respond, among other things, to the fluctuation of prices on the secondary raw material market, which were at their minimum during the period of the economic crisis. The development of the fees was primarily affected by the economic recession and, in the period of the receding crisis in 2009 and 2010, individual materials required financial intervention to an extent ensuring a sufficient level of recycling. As shown in the chart, the average price per tonne of packaging put on the market has been dropping every year since 2010. This is only possible thanks to the sustained favourable prices of secondary raw materials.

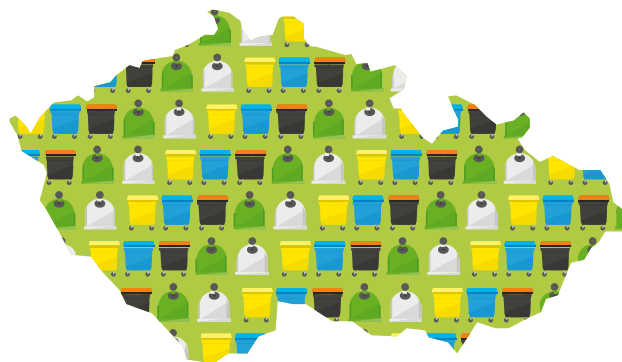
During the 16 years of its existence, EKO-KOM has created an **efficient system of packaging waste take-back and recovery, which is at a high level in comparison with other European systems.**

## Total amount of recovered packaging waste in 2000-2012 (tonnes)



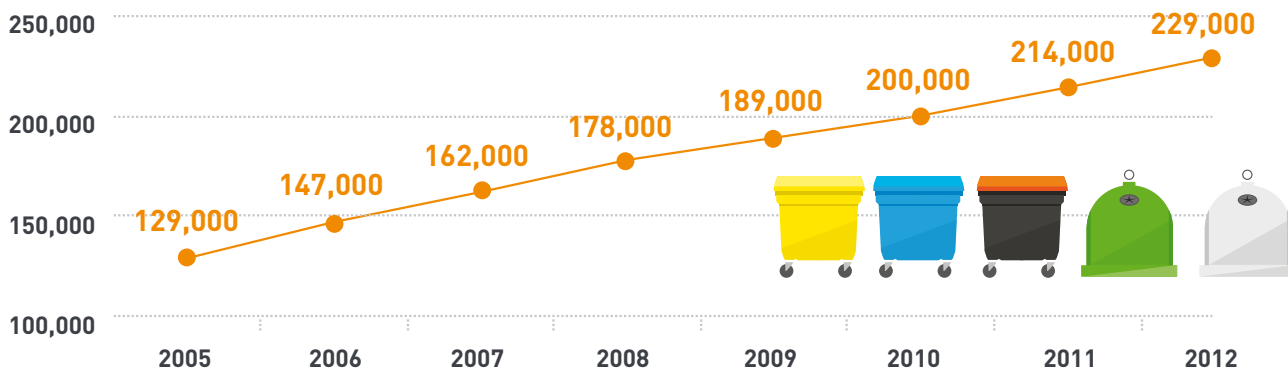
## The density of the container network has been continuously increasing

The density of the network of coloured containers in the streets has been continuously increasing not only due to stricter requirements resulting from the authorisation by the Ministry of the Environment. Surveys and practice show that **people need to have sorted waste containers sufficiently available to sort waste**. Convenience and availability are one of the most important factors for people to decide whether they are going to sort waste or not. While there were 129,000 coloured containers eight years ago, **today citizens can sort waste into 229,000 coloured containers** located practically all over the Czech Republic. However, the availability of containers is not enough to persuade people to sort waste; this also requires regularly informing and educating them, to raise their awareness about the importance of waste sorting and recycling. This is achieved by means of information campaigns to promote interest in these topics.

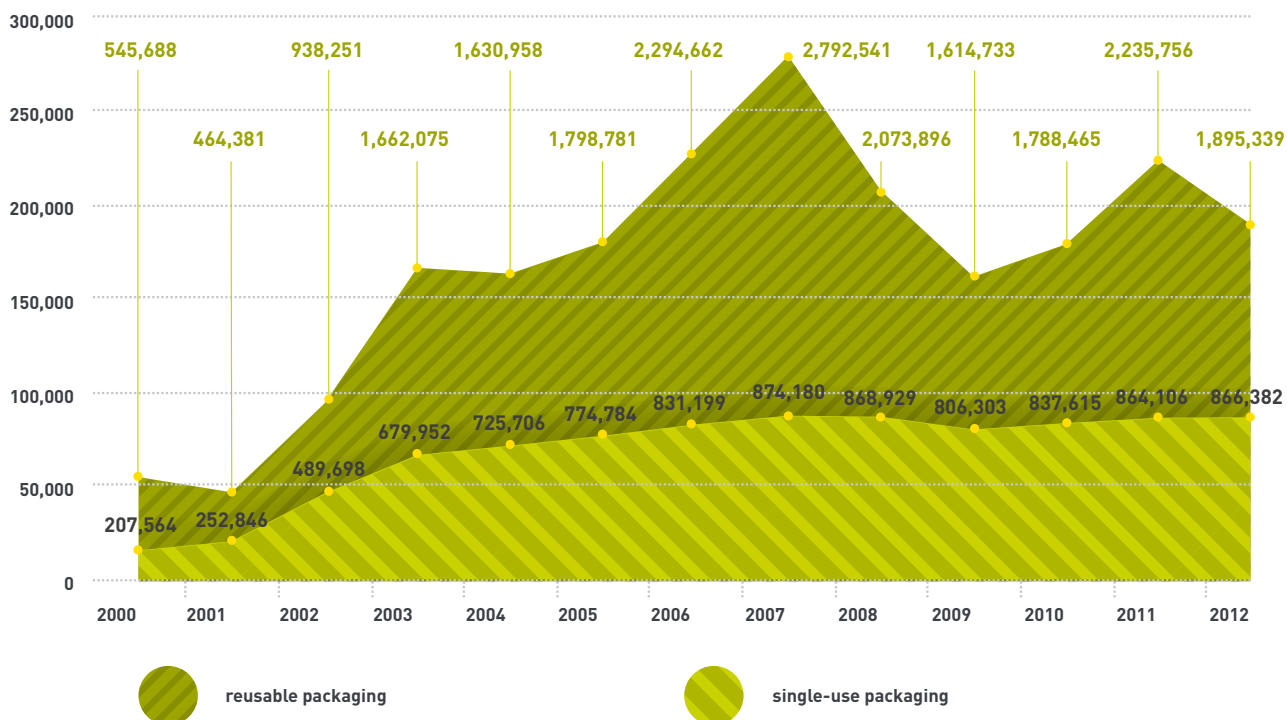




## The number of containers for sorting has been growing



## Amounts of registered packaging in 2000-2012 (tonnes)



# What they say about us...



## Nestlé Česko s.r.o.

Nestlé participated in the foundation of EKO-KOM as a not-for-profit company as early as in the late 1990s. We look at the EKO-KOM system not only from the perspective of fulfilling the obligations imposed by law. The fulfilment is, among other things, symbolised by the international "Green Dot" logo on the packaging of our products. We also see EKO-KOM as an efficient tool for environmental sustainability. Raw materials obtained by sorting and recycling packaging waste can substitute primary raw materials. As regards the packaging waste of Nestlé in the Czech Republic, an LCA study demonstrated e.g. an annual decrease in the emissions of greenhouse gases by almost 11,000 tonnes of CO<sub>2</sub> equivalent. This represents energy savings of about 263 million MJ, which is comparable to 8 hours of production of all power plants in the Czech Republic. For us, the foundation and operation of EKO-KOM has been a manifestation of a voluntary and proactive approach of the industry to the fulfilment of its environmental obligations since the very beginning. In the past years, EKO-KOM has proven that it brought to the Czech Republic an efficient and modern European system of packaging waste recovery based on shared responsibility, and we expect it to continue going in that direction.

Martin Walter, Corporate Affairs Manager

THUN 1794 a.s.



We think our collaboration with EKO-KOM has been excellent. We have always been met with willingness to help, advise or meet in person on our premises, if necessary. Everything has always been resolved and answered in line with our expectations.

Romana Štumpová  
Dispatch Warehouse Manager



Plzeňský Prazdroj a.s.

The sustainable development strategy of Plzeňský Prazdroj incorporates long-term targets in the area of environmental protection, including packaging management. More than 91% of our packaging is returnable or recoverable. About half of our beer is sold in kegs, which are 100% recyclable and have a long service life. Another 40% is sold in returnable glass bottles. We have recently decreased the weight of our glass bottles by 20%, reducing the weight of a full crate by almost two kilograms with this innovation, which results in 2.5% fuel savings during transport. In the area of packaging management, we rely on our long-term cooperation with EKO-KOM, which secures the collection and recovery of non-returnable packaging. We are glad that the activities of the company also focus on raising awareness about the importance of waste collection and recycling. One example of education support in this area is the interactive packaging exhibition named "Serving Man since Ancient Times". We are happy that we were able to participate in the preparation of this educational exhibition.

Drahomíra Mandíková  
Director of Corporate Affairs and Communication



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