

Annual Report Recupel 2004
Recupel at cruising speed



Recupel recycles your electrical and electronic equipment.



Contents

Foreword of the Managing Director	3
1 Mission, vision and values	4
1.1 Recupel in a nutshell	4
1.2 Recupel, mission and vision	5
1.3 Core values and priorities	5
1.4 ISO 9001:2000: the efforts rewarded	5
1.5 Reporting to the public authorities	5
2 Information & Support	6
2.1 More members due to LightRec and targeted recruiting	6
2.2 The product lists expanded, updated and communicated	7
2.3 Helpdesk receives big response	8
2.4 Close to the target groups	8
2.5 Towards an overtaking manoeuvre for Brussels	9
2.6 Recupel attracts much attention abroad	9
3 Operations: collection, transport and recycling	10
3.1 WEEE from consumer to treatment company: collection and transport	10
<i>A. Collection continues to increase</i>	<i>10</i>
<i>B. Transport: accent on optimisation</i>	<i>12</i>
3.2 Recycling completes the circle	12
<i>A. New agreements for environmentally responsible treatment</i>	<i>12</i>
<i>B. Treatment: quality top priority</i>	<i>13</i>
<i>C. Objectives for Europe and Belgium achieved</i>	<i>13</i>
4 External Relations: recruiting members and inspections	14
4.1 In search of new members	14
4.2 Members are also monitored	15
5 Financial management	16
5.1 The contribution: key to financing	16
5.2 In-house Recupel accounting	16
5.3 Toward a more correct distribution of costs	17
5.4 New computerised declaration system operational	17
6 The Recupel organisation	20
6.1 The structure of Recupel	20
6.2 The Board of Directors of Recupel brings the sectors together	21
6.3 The Recupel team	21
Conclusion by the chairman: confidence in the future	22

Foreword

Dear reader,

This annual report is for you. It describes our activities and provides an overview of our results for 2004. As organisation that handles the WEEE take-back obligation of its members, we see it as our responsibility to inform you properly regarding the results of our collection, transport and treatment activities, as well as regarding the ins and outs of the organisation.

For 2004, I am pleased to state that Recupel has again made significant steps in the development of the collection system and that the organisation itself has grown. With 1,812 members and 2,853 entry agreements, our rapid growth continues undiminished.

The consumer is also familiar with the system. Per resident no less than 5.7 kg of appliances were collected in 2004, 25% more than in 2003. Thus, it appears that consumers are increasingly adopting the good habit of delivering used appliances to the collection network. This fact alone is proof that our system is working well.

I would like to summarise 2004 in five key words: development, renewal, quality, expansion and deepening.

By development, I am referring to the important steps taken by Recupel in 2004 to develop its internal competences. Where in the beginning the emphasis was on making the collection system operational, with most of the administrative and accounting tasks being contracted out to external firms, we now have the time to take these matters back into our own hands. Today the inspections are largely performed by the new External Relations department that we created in 2004. This department made progress during the past year in locating companies that were attempting to escape their take-back obligation. 2004 was also the first year that the accounting for the six Recupel sectors was handled completely under our own management.

In 2004, we also put much energy into the contracts with the partners. After three years of operations, renewal of the contracts for transport and treatment were indeed in order. Protracted discussions with the intermunicipal waste associations in 2004 finally led to the signing of an agreement on the regional transshipment stations. This

constitutes the basis for a far-reaching optimisation of the collection and transport structure.

Since our creation, we have continuously paid significant attention to the quality present within Recupel. These efforts were rewarded on the eve of 2005 with ISO certification. Thus in the coming years quality will continue to receive our undivided attention. One of the pillars of this quality aspect has always been the development of user-friendly computer applications. As of 2004, Recupel has at its disposal a powerful IT platform, a resource frequently used by members, collection points, carriers and treatment companies. It is also available to individuals with questions.

2004 also saw the establishment of LightRec, the sector organisation for collecting domestic and professional lighting equipment. In a few years time we have expanded our activities from four to six sectors. Armed with the experience of LightRec, Recupel is also ready to deepen itself further: 'business-to-business' is perfectly possible.

I fully understand that the results that Recupel is able to present today did not come from nowhere. Thus, I would like to take this opportunity to thank all personnel for their commitment and their contribution to the success of Recupel. Our partners also deserve our thanks. All the companies involved with the collection, transport and treatment contribute to the success of the Belgian collection system. My gratitude finally goes to all of our members for the confidence they have placed in our organisation and to the consumers whose efforts are also indispensable.



Willy Quinart
Managing Director of Recupel asbl

01

Mission, vision and values



Recupel organises the collection and the recycling of Waste Electrical and Electronic Equipment (WEEE) throughout all of Belgium. Recupel was given a mission and a vision when it was established in 2001. The mission expresses the desire of Recupel to execute the Environmental Policy Agreements. The vision of Recupel concerns its contribution to a world with less waste and its partnerships with industry. Furthermore, when Recupel was started, several values were established that Recupel considers to be of paramount importance.

The work of Recupel is about providing quality services. At the end of 2004, after a thorough audit, Recupel was awarded ISO 9001:2000 certification.

1.1 Recupel in a nutshell

Since 1 July 2001, thanks to Recupel, importers and manufacturers of electrical and electronic equipment have a practical solution for compliance with their legal obligations. It organises the collection and the recycling of Waste Electrical and Electronic Equipment (WEEE) throughout all of Belgium. Recupel works closely with merchants, municipalities, intermunicipal waste associations and used-good centres, as well as with companies specialised in the transport and the ecologically responsible treatment of the waste appliances. This activity is financed by the recycling contribution that consumers pay when purchasing new appliances. Recupel also handles the communication aspects of its activities.



1.2 Recupel, mission and vision

The Recupel mission

The mission of Recupel consists in 'executing the Environmental Policy Agreement. In this, Recupel is recognised in Europe as a reference in the area of cost-efficiency in the realisation and monitoring of the financial and logistic flows, and in the communication of information to all stakeholders'.

The Recupel vision

Recupel strives for a world with less waste through the organised collection and environmentally responsible recycling of all waste electrical and electronic equipment, and thus intends to be a reliable partner for industry in the execution of its take-back obligation.

1.3 Core values and priorities

Recupel has a high level of responsibility to all the interested parties in society. It is then not surprising that in addition to efficiency and professionalism—the core values of good management—dialogue and transparency also belong to the core values of Recupel. In the development of Recupel as organisation, daily management is focused on a number of priorities. This focus includes hunting down the 'free-riders', developing its internal competences, monitoring members, implementing a quality assurance system, expanding its activities to other sectors, and working on a total solution (household and professional equipment) for industry.

1.4 ISO 9001:2000: the efforts rewarded

On 21 and 22 December 2004, an audit was performed at Recupel within the framework of ISO 9001 certification. This audit resulted in obtaining the ISO 9001:2000 certificate at the end of 2004. Now that Recupel has the certificate in its hands, the objective has been partially reached: the procedures and management methods in place guarantee quality. However, this certificate also implies a challenge for the future, namely sustaining all of the efforts made, and continuously improving services to the target groups.

1.5 Reporting to the public authorities

The reporting obligation is included in the Environmental Policy Agreements between Recupel and the regions. Concretely this means that Recupel must annually report to the public authorities on its results. Recupel attaches much importance to its communication with the various government authorities. At the end of March, Recupel compiled a complete report intended for the respective authorities of the three regions.

02 Information & Support

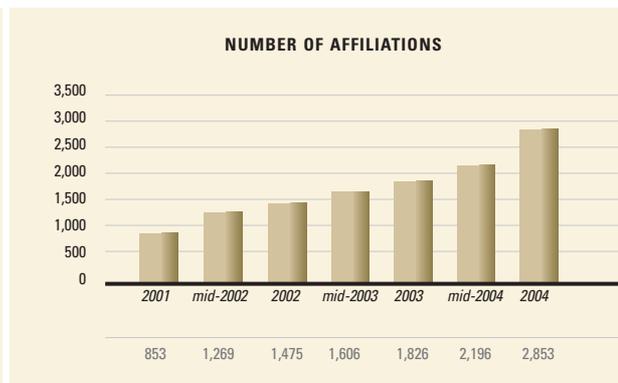


The main task of Recupel is the complete handling of the obligation its members have in the area of WEEE take-back and regarding the disclosure of information relevant to this. The targeted approach of the 'Information & Support' department contributed significantly to an increase in the number of members, up 60% from 2003. In 2004, considerable attention was also paid to drawing up the list of products for the new category of lighting equipment. To keep its members optimally informed of its activities and operations, and to sensitise its various target groups, Recupel initiated several communication campaigns that were tailored to the various groups. The helpdesk is available to the sectors and the public. In 2004, more than 600 persons made use of this service each month.

2.1 More members due to LightRec and targeted recruiting

Each company subject to the take-back obligation (manufacturer or importer) can join one or more of the Recupel sector organisations depending on the sectors in which the company is active and the products it markets. At the end of 2004, Recupel numbered 1,812 registered companies, which together concluded no less than 2,853 entry agreements with the six Recupel sectors. Thus, the number of members continues to increase substantially: Recupel enjoyed a 60% increase in newly registered companies over 2003. Agreements concluded with the Recupel sectors increased by 56%.

This substantial increase is partly explained by the additional sector of lighting equipment. The sector



NUMBER OF AFFILIATIONS PER SECTOR

	2001	mid- 2002	2002	mid- 2003	2003	mid- 2004	2004
BW-Rec	183	263	281	287	293	341	368
Recupel SDA	200	287	306	327	359	416	473
Recupel ICT	227	338	402	457	553	672	733
Recupel AV	214	308	348	394	465	573	666
Recupel ET&G	29	73	138	141	156	194	226
LightRec							387
Total	853	1,269	1,475	1,606	1,826	2,196	2,853

LightRec in the limelight

On the occasion of the introduction of the take-back obligation for lighting equipment, Recupel launched a targeted mailing. 40,000 information packets were sent to potential members, installers and professional users. This communication was supplemented by reports in the press targeted to a wider public. The main information contained in these messages concerned the contribution of 1.40 euro per lighting device. The opportunity was also taken to point out again to the public the practical implications of the take-back obligation and the way that Recupel operates. Reference was always made to the Recupel website for more information.

organisation LightRec provides a solution—via the Recupel system—to the practical realisation of the take-back obligation for lighting equipment, both household and professional. Lighting marks the first professional waste flow that is subject to the take-back obligation. This sector was good for some 400 new entry agreements in 2004.

In addition, the approach taken to recruiting members was very important to the increase in the number of members. Constant communication with the importers and the manufacturers (telephone contacts, mailings, targeted company visits...) has had an effect on the number of Recupel members that should not be underestimated. This approach has been used since September 2004 by the External Relations department, whose operation is discussed further below.

The dynamic unique to the sector has also played a role. New companies are indeed being established continuously. Finally, the follow-ups and inspections handled by Recupel, and the enforcement by the public authorities, give us credibility. The inspections have prompted several companies to conclude an entry agreement.

The most striking increase in the number of entry agreements is found in the sectors Recupel ICT and Recupel AV.

2.2 The product lists expanded, updated and communicated

Recupel is responsible for the preparation and update of the product lists as well as for communicating these lists to its members. The product lists, one for each sector, contain all the electrical and electronic equipment to which the take-back obligation applies as well as the recycling contribution to which they are subject. The products are subdivided into sections, and provided with a clear description and an indication of the relevant recycling contribution. Because the products on the market are continuously evolving, Recupel modifies the lists annually. This annual revision requires an in-depth knowledge of the sector and a permanent follow-up of the developments. A proposal for the adapted product lists is made in a close cooperation with the sectors. At the end of the year, this list is submitted to the competent public authorities. The new lists for 2004-2005 came into force on 1 July 2004. The

updating of the lists was primarily a refinement. The lists were also supplemented with new appliances that came on the market (e.g. a knitting machine, weather station, compressor...). The contributions (VAT included) vary today between 0.10 euro (calculator, alarm clock...) and 20 euro (refrigerator, freezer...).

Special to 2004 was the creation of the first product list for lighting equipment. This list contains nine product groups including exterior lighting equipment as well as safety lighting and floodlights.

At the end of January, the product lists were communicated to importers for the first time, allowing them sufficient time to prepare. During the months of May-June, all new product lists were communicated to all members and the distribution sector. This communication was done using an information folder that was distributed in a print run of 30,000 copies. At the same time, the shops and merchants were given the opportunity to distribute the new posters and leaflets to their customers. This campaign was primarily intended to inform customers about the system in general and to promote collection and recycling among a broad public. In 2004, as in every year, Recupel made available the required information material. At the request of any interested party an information packet (including CD-ROM, video or DVD) was sent. The brochures and posters were also distributed during campaigns on site.

2.3 Helpdesk receives big response

The Recupel helpdesk, reachable via info@Recupel.be and on 0800 40 387, registered approximately 300 e-mails and 350 telephone calls per month during 2004. The various Recupel target groups (collection points, transport sector, merchants and shops, private individuals...) evidently have discovered the helpdesk. Much attention is paid to the quality of the helpdesk. Each question is answered individually by

telephone or letter (for questions of a technical nature). To this end, the helpdesk works closely with the Recupel legal experts and the various departments within Recupel. Each question receives an immediate answer. If more information is required, the advice is confirmed by letter.

2.4 Close to the target groups

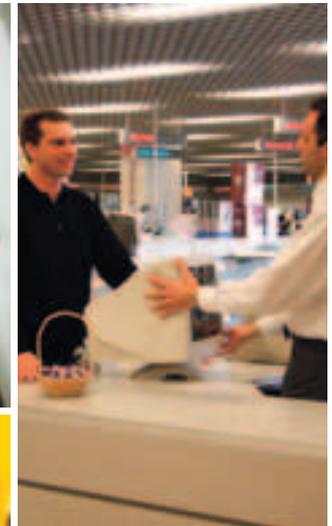
Local communication increases the visibility of an organisation among the public. The message is disseminated and has repercussions at other levels. Recupel intends to stay close to its target groups and thus attaches much importance to information and communication directed to the collection points. This indeed contributes to an efficient and high quality process of selective collection. In 2004, for example, a targeted communication was sent concerning the metal Recupel containers that were installed during the course of 2004 and 2005. These containers are designed to allow covered storage at the container parks of all appliances collected.

In 2004, Recupel was present at various trade fairs for the same reason. These indeed are an excellent place to address the public directly and provide information to interested parties. In February, Recupel took part in the Agribex agricultural fair in order to place the take-back obligation for electrical gardening tools in the spotlight. In October, Recupel had a stand at the Ifest environmental fair. This professional trade fair brings together all private and government actors that are active in the environment and energy sector. The Recupel stand displayed its activities from A to Z, with special attention being given to the recycling process. The presentation was strongly visual with an interactive concept.

In the Walloon region, eight information sessions were organised together with L'Union des Classes Moyennes (UCM), the Walloon association for independent entrepreneurs. The sessions were targeted at



small- and medium-sized enterprises. Importers, manufacturers and distributors were able to ask questions about joining, mandates and various tax and legal issues. Recupel representatives gave continuous presentations to an interested public.



To reach the general public, an information campaign was conducted in August and September. A removable leaflet was distributed via several Dutch-speaking and French-speaking weeklies and monthlies. More than 1 million leaflets were distributed in this way. Both the regional, national and international press showed considerable interest in the pick-up and recycling of WEEE. The remarkable results that our organisation obtained were treated extensively in the press.



2.5 Towards an overtaking manoeuvre for Brussels

Since the start of Recupel in 2001, the results in the Brussels area have been much lower than those obtained in Flanders and the Walloon region. In order to pump new life into the underdeveloped level of collection in the Region of Brussels Capital, a targeted campaign was conducted in 2004 together with Bruxelles Propreté. The goal of this campaign was increased awareness on the part of private individuals and retailers in the Brussels area. During the summer, awareness campaigns were held in the shopping streets, in the department stores and at the town halls. Animators ensured a playful atmosphere.

2.6 Recupel attracts much attention abroad

Also in 2004, Recupel employees regularly gave lectures or information sessions on the Recupel system abroad, among others within the framework of the WEEE forum (the consultation platform of European representatives of take-back systems for WEEE). The Belgian collection system is considered a very effective one. Especially the fact that in addition to its strong structure, excellent results are also obtained means that Recupel can always count on much interest during its foreign missions. The past year Recupel employees spoke among other places in France, Germany, Spain and Hungary.

03 Operations: collection, transport and recycling



3.1 WEEE from consumer to treatment company: collection and transport

2004 was an important year for the logistics structure of Recupel. After three years, the agreements with the transport sector and the recycling firms came to an end and new agreements needed to be signed. The long-awaited agreement with the intermunicipal waste associations regarding the regional transshipment stations was concluded. Since the middle of 2004 the collection, transport and recycling of lighting fixtures has also been operational. The results demonstrate that collection is continuing with the same zeal evidenced in previous years. 58,063 tons of WEEE were collected, an increase of 25% over 2003.

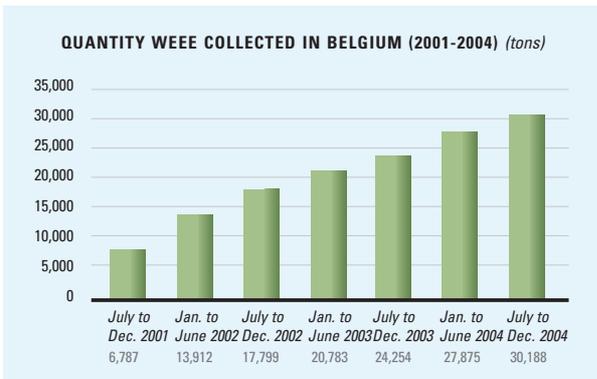
A. COLLECTION CONTINUES TO INCREASE

The Recupel collection network has three channels: the container parks, used-good centres and shops. These channels totalled 2,910 collection points at the end of 2004. This is an increase of 22% compared to 2003.

Seen globally, collection in 2004 continued to increase. The container parks still represent the largest flow of goods with 64.62%. Collection at shops and used-good centres represented 24.05% and 11.33% of the total respectively.

Collection from retailers

The legislation requires the retail sellers of electrical and electronic equipment to take back the used appliances of their customers free of charge. Merchants can make use



COLLECTION AND TRANSPORT: KEY FIGURES

	End 2001	End 2002	End 2003	End 2004
Collection points – container parks	288	379	554	518
Collection points – used-good centres	27	24	19	18
(Active) collection points – distribution	1,184	1,964	1,812	2,374
Total collection points	1,499	2,367	2,385	2,910
Appliances collected (kg/inhabitant)	2	3.6 kg	4.5 kg	5.7 kg
Amount of transports per day	93	123	134	104

of the collection service of Recupel by registering (free of charge) as a collection point. A condition for this is that the shop must collect eight large appliances or one full box pallet four times per year or every three months. Last year 2,374 shops actively worked with Recupel to collect their discarded goods. This represents 562 more active collection points than the previous year or an increase of 31%.

In 2004, Recupel collected approximately 13,966 tons of WEEE from sellers of electrical and electronic equipment.

Collection and sorting at the container parks

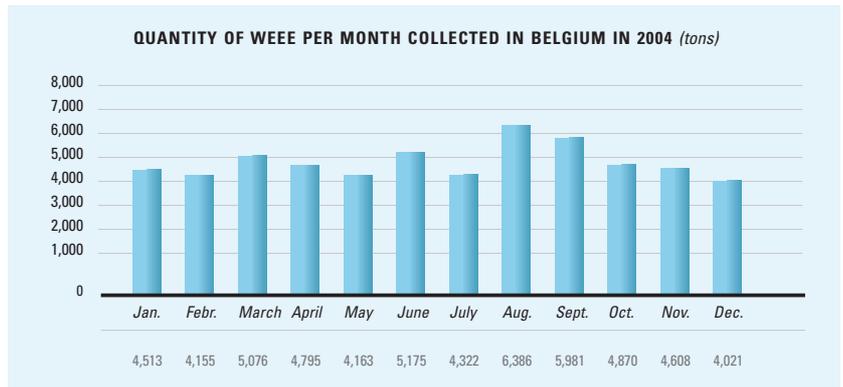
The municipalities and the intermunicipal waste associations are important partners to Recupel in the collection of discarded appliances. The container parks are indeed the largest collection channel. All container parks in Belgium are served by Recupel. Pick-up is done directly or indirectly via the regional transshipment stations, or via the intervention of used-good centres.

Everything is sorted into four categories: big white appliances, cooling and freezing appliances, television screens and monitors and other appliances. By separating as much as possible at the source, the subsequent steps in the process occur more smoothly and more efficiently.

In 2004, Recupel collected 37,519 tons of WEEE via the container parks (directly or indirectly).

Partnership with the social economy

The used-good centres also contribute to collecting WEEE. Among the WEEE are appliances that could be given a new life in the used-goods circuit. The re-usable goods are tested and checked, and then put in the used-good shop where they are offered for sale. The used-good sector is strongly embedded in the social economy and primarily provides work to persons with



Collection: the figures speak for themselves...

Collection continued with the same zeal evidenced in 2003. Thus in 2004 an increase of more than 25% was again registered. While in 2003 Recupel collected 45,000 tons of waste electrical and electronic equipment, in the period January - December 2004, this amount increased to 58,063 tons. This is equivalent to 4,839 tons per month or 5.7 kg per resident per year. With this, Belgium easily satisfies the goal of 4 kg per resident per year imposed for 2005 by the European directive. This norm was in fact already met in 2003.

In 2004, Recupel further optimised collection, which contributed to greater efficiency. Since the summer of 2004, the additional flow of lighting equipment is also being collected.

little chance of employment in the normal labour market.

In 2004, the used-good centres collected 6,578 tons of WEEE, which is 11.33% of the total tonnage collected.

Regional transshipment and finely meshed collection stations

The regional transshipment stations are collection points where the intermunicipal waste associations bring together waste flows from a region. The buffer capacity of the transshipment stations increases the flexibility of collection at the container parks. The regional transshipment stations also provide retailers and intermediaries with an excellent opportunity to hand in

the appliances they receive. As of 2004, there are 21 regional transshipment stations in Belgium.

Protracted negotiations with the umbrella organisations of the intermunicipal waste associations (Interafval in Flanders and Copidec in the Walloon region) led to an agreement concerning the regional transshipment stations in 2004. This agreement has been in force since October 2004. Since this time, the transshipment stations have been handling the transport from the container parks to the transshipment station. They are remunerated for this activity by Recupel.

In addition to the regional stations, there are also finely meshed collection stations. A finely meshed collection station is a collection point where equipment collected from retailers and smaller container parks is brought together and sorted in bulk. Recupel takes care of the transport of goods from these smaller stations to the recycling firms.

B. TRANSPORT: ACCENT ON OPTIMISATION

Recupel makes use of the services of a specialised partner to transport the collected equipment. Optimum management restricts the number of trips required to a minimum. The gradual introduction of regional transshipment stations and finely meshed collection stations should contribute to the further rationalisation of transport in the future.

Transport, finely meshed or bulk

The transports organised by Recupel require two steps. The first is finely meshed transport. This transport includes WEEE collection of eight units or more from the

shops, or one box pallet. In certain regions, the intermunicipal waste associations also make use of finely meshed transport. The transport is handled by the intermunicipal waste association, by the specialised operator at the request of Recupel or a number of companies in the social economy. The WEEE is subdivided into four specific categories at the centralised depots.

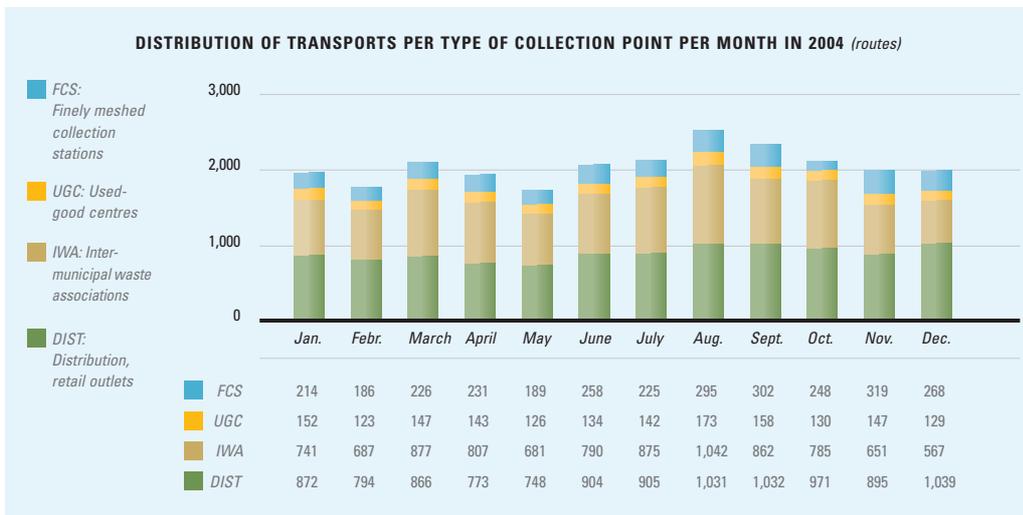
The second step comprises bulk transport. This concerns the flow of goods to the treatment companies from the larger container parks, the regional transshipment stations and the centralised depots. A total of 24,860 transport requests were handled by Recupel in 2004, 42% of which were bulk and 58% finely meshed. This amounts to approximately 104 transport requests per day.

3.2 Recycling completes the circle

The collected WEEE is sent to the treatment companies where it is treated in an environmentally responsible way.

A. NEW AGREEMENTS FOR ENVIRONMENTALLY RESPONSIBLE TREATMENT

The treatment of WEEE, in accordance with the regulations contained in the Environmental Policy Agreements, is done per category. The global flow is thus divided into four major categories: large domestic appliances (or large white goods), cooling and freezing appliances (containing CFCs), television and computer screens, and finally all remaining appliances including all



Storage locations at the container parks: now weather resistant

Recupel has developed a new container system in metal (the so-called 'Recupel house') that provides weather-resistant covering. This system was tested and approved so that its installation at the container parks could be started at the end of 2004. Installation will continue in 2005.

small domestic appliances, brown goods, ICT material, electrical and electronic tools, gardening tools and lighting equipment.

During the middle of 2004, Recupel concluded new agreements with several treatment companies (including two new partners). The new agreements were concluded in such a way that there are at least two treatment companies available for each treatment category. For certain categories there are even three. This guarantees the continuity of recycling, which increases the operational reliability of Recupel. In addition, multiple partnerships ensure Recupel of competitive pricing and contribute to the healthy growth of the recycling market in Belgium.

B. TREATMENT: QUALITY TOP PRIORITY

Recupel attaches much value to the quality of the treatment. The treatment companies are audited regularly by Recupel and an external firm. The audits primarily focus on the procedures and management methods. The recycling results are also checked.

All treatment companies that are offered a contract satisfy the strict requirements of the tender specifications. These establish among other things that they must possess ISO 9001:2000 and ISO 14001 certification. The ISO standards and procedures provide a conclusive guarantee for the quality of the treatment processes and management methods.

C. OBJECTIVES FOR EUROPE AND BELGIUM ACHIEVED

The objectives established in the Environmental Policy Agreements for recycling and the reuse of materials are ambitious. The recycling target for ferrous and non-ferrous metals is 95%; for plastics it is 50% with recovery

RECYCLING* PER GROUP AND PER MATERIAL IN 2004

Material	White goods	Fridges and freezers	Screens	Other appliances	Results per material	Legal objectives**
Ferrous metals	100%	100%	100%	100%	100%	95%
Non-ferrous metals	100%	100%	100%	100%	100%	95%
Synthetic materials	58%	82%	82%	71%	76%	50%
Others	37%	12%	85%	18%	52%	
Results per group	82%	88%	88%	78%	83%	
Legal objectives**	80%	70%	70%	70%		

* Recycling = material recovery

** Objectives imposed by the environmental policy agreements

DISTRIBUTION OF WEEE COLLECTED IN 4 GROUPS (tons)

	CF	BW	TVM	OTH	Total
2003	9,514	11,117	9,835	14,571	45,037
2004	11,537	15,141	12,693	18,693	58,063

CF: Cooling & freezing appliances

BW: Big white appliances

TVM: Television screens and monitors

OTH: Other appliances

Small appliances largest category

In 2004, the amount of WEEE collected by Recupel was 58,063 tons. Upon arrival at the treatment sites, the proportions per category are measured. Small appliances represent some 32% of the amount collected. Large white goods are in second place with 26%. Screens represent 22% of the appliances collected and cooling appliances 20%.

of 100% (energy creation and recycling). In addition, global recycling objectives have also been established: 80% for large appliances and 70% for other appliances. The norms imposed by Belgium are higher than those stipulated in the European directive. In 2004, Recupel almost completely met the imposed criteria. Globally speaking, the equipment was recycled for 83.31% and used for energy creation for 85.69%.

Recupel regularly informs the government authorities concerning its operation and results. The regions thus receive a formal guarantee that the recycling is being done according to the established procedures and agreements.

04 External Relations: recruiting members and inspections



Since September 2004, Recupel has a new department: External Relations. This department takes over a part of the Information & Support tasks. On the one hand, it handles the company visits within the framework of the recruitment of members. On the other hand, it—together with an external audit agency—is responsible for verifying the monthly declaration. With this Recupel has made an important step in 2004 in developing its own internal competences.

4.1 In search of new members

The search for new potential members is done in an intensive and targeted way. In addition to mailings, companies are contacted individually by telephone. During the first telephone interview, an initial screening occurs to determine whether the company falls under the take-back obligation and is eligible to join Recupel. If the contact is maintained after this initial screening, a company visit follows. During this visit the principles, and terms and conditions of the Recupel system are again explained in detail. The contract is reviewed and offered for signing. This targeted approach has contributed significantly to the substantial increase in the number of members in 2004. It is important to note here that the system works retroactively. The fee paid by the companies, is charged with retroactive force. New companies that join thus pay a fee for all goods sold since 2001. This amount obviously increases the longer the manufacturers or importers wait to join.



Among the new potential members are on the one hand companies who were insufficiently aware of the legislation or did not even know of the existence of Recupel. On the other hand, there are also companies that were sufficiently aware, yet neglected to meet their legal obligations. In the first place, Recupel itself tries to convince the latter group to join Recupel. If this is unsuccessful, the information is sent to the competent public authorities. In Flanders, Recupel works with OVAM, the public waste agency of Flanders. In the Walloon region, this is the Office Wallon des Déchets and in Brussels, the Brussels Institute for Management of the Environment.



Recupel visits manufacturers and importers

In 2004, Recupel made some 1,000 company visits. Globally speaking, 70 to 80% of this group was relatively easy to convince to join Recupel. A smaller portion reacted less quickly, but finally signed an entry agreement.

For an overview of the number of members and agreements in 2004, you are referred to p. 7 (Information & Support department).

Recupel handles the inspections partially itself

In 2004, Recupel itself began handling part of the monitoring activities concerned with the declaration. Until July 2004, these inspections were handled exclusively by an external partner. Beginning in September, an internal inspection team of four people was in place. This team will be expanded in the future, depending on the needs.

Some 500 inspections were performed in this way during 2004. Taking into account the new sector LightRec, this number is expected to increase in 2005 to 750 inspections.

4.2 Members are also monitored

The companies registered with Recupel are required to make a declaration monthly or quarterly of the goods that were put on the market. Most sectors must fulfil their declaration obligation when importing the goods. Only in the case of lighting equipment is a declaration made when the items are sold from stock.

The contract that the companies conclude with Recupel stipulates that Recupel monitors this declaration obligation. As a basic rule, each member is inspected at least once every three years. In certain cases, inspections are required more frequently. Thus, some companies are inspected two times per year. Monitoring the correctness of the declaration implies a complete inspection of the accounting and a monitoring of the products themselves.

A correction is made for both the companies that did not contribute enough and those that contributed too much.

Companies that only have a return contract are also audited. This concerns the so-called 'export only' companies that purchase products in Belgium (including the Recupel contribution) and then export to other companies. In this case, the export and transport data are verified.

05 Financial management



Recupel also made significant efforts in 2004 to optimise financial management. In this, confidentiality is fundamental. In 2004, the accounting for the six sector organisations was handled completely in-house for the first time.

5.1 The contribution: key to financing

The entire collection and recycling process is financed via the recycling contribution. The principle is that the end user pays the contribution at the time of purchase of a new device (thus at the beginning of the product life cycle). The collected contributions are used to ensure the future take-back of the appliances now being sold, regardless of the moment they are returned to the collection network.

The recycling contributions collected in 2004 in reality cover more than the future recycling costs of the appliances sold. The take-back costs for appliances sold before the system came into force in July 2001, and for which no contribution was collected, must also be covered. It is very important to include the take-back and recycling costs of this 'historical waste' when calculating the contribution.

5.2 In-house Recupel accounting

The in-house accounting system (also known as 'black box') has been operational since 1 January 2004.

Declarations 2004: the results

In 2004, the companies from all sectors together have declared more than 25 million electrical and electronic appliances. These quantities can be converted into tons by ascribing an average theoretical weight to each product. This year a total of 200,000 tons of electrical and electronic equipment were traded in Belgium. This is equivalent to 20 kg of appliances sold per person.

In 2004, 18% more goods per person were put on the Belgian market.

External auditor for the annual declaration is no longer required

Since 2004, members are no longer required to engage an external auditor for the annual declaration. This marks an important simplification of the administration required by the members. This formality was handled via an annex to the current agreements: thus, renewal of the agreements was not required. This possibility was offered to all members during the course of 2004. 75% of the members have signed this annex and from now on will be able to personally handle the annual declaration without the intervention of an external auditor, and thus without incurring an extra expense.

Its goal is to improve services to members and make these services more efficient. To ensure confidentiality, the internal procedures are subject to regular external control.

Confidentiality is indeed the key idea behind the effectiveness of Recupel. The organisation is aware that the information it has at its disposal is of strategic importance to its members. Thus, Recupel guarantees the confidential treatment of the declarations it receives. A secure system handles the invoicing of members, sector by sector. Then all the data for each category is combined, making it impossible to link specific information to a given member.

Contribution versus real cost: a delicate balance

As a non-profit, Recupel must strive for the most correct possible financial balance by tailoring the contributions to actual expenses as closely as possible. Not only must current costs be estimated as accurately as possible, consideration must also be taken of the future. Thus, Recupel applies a provision for part of the contributions collected. After three years of operation, harmonisation of the contributions to the cost price remains a priority. Recupel members must indeed be offered an economically efficient solution, which is also as inexpensive as possible for the rest of society. The studies show that the amount of the contributions corresponds to the real expenses for the various sectors and for each category of products within each sector.

5.3 Toward a more correct distribution of costs

The members conclude an agreement with one or more sector organisations depending on the product range they have on the market. They must make a monthly declaration for each of these sectors.

Based upon this declaration, the sectors invoice their members for the contributions owed. Perfect separation between the financial flows of the various sectors is thus guaranteed.

This clear separation guarantees the ability to trace revenues, and ensures that the contributions of a sector are actually used for the ecological treatment of equipment that belongs to this sector.

The operating costs were refined for each product category. After all, it is clear that the costs of collection, transport and recycling are not the same for each type of device. This method is intended to provide better insight into the costs over time, and allow an evaluation and possible adjustment of the consumer contribution.

5.4 New computerised declaration system operational

Members are encouraged to submit their declarations electronically by making use of a user name and password. The quick and flexible procedure prevents entry mistakes.

For 2004, 80% of the companies made their declarations via the Internet. The increasing success of this possibility to make declarations electronically demonstrates the positive view companies have of this way of working.

After a test period in 2003, a new computerised declaration system was made available to the members in January of 2004. The tool is very user-friendly. It allows a view of the history of the declarations and provides detailed access to all previously entered data.

Balance sheet Recupel asbl

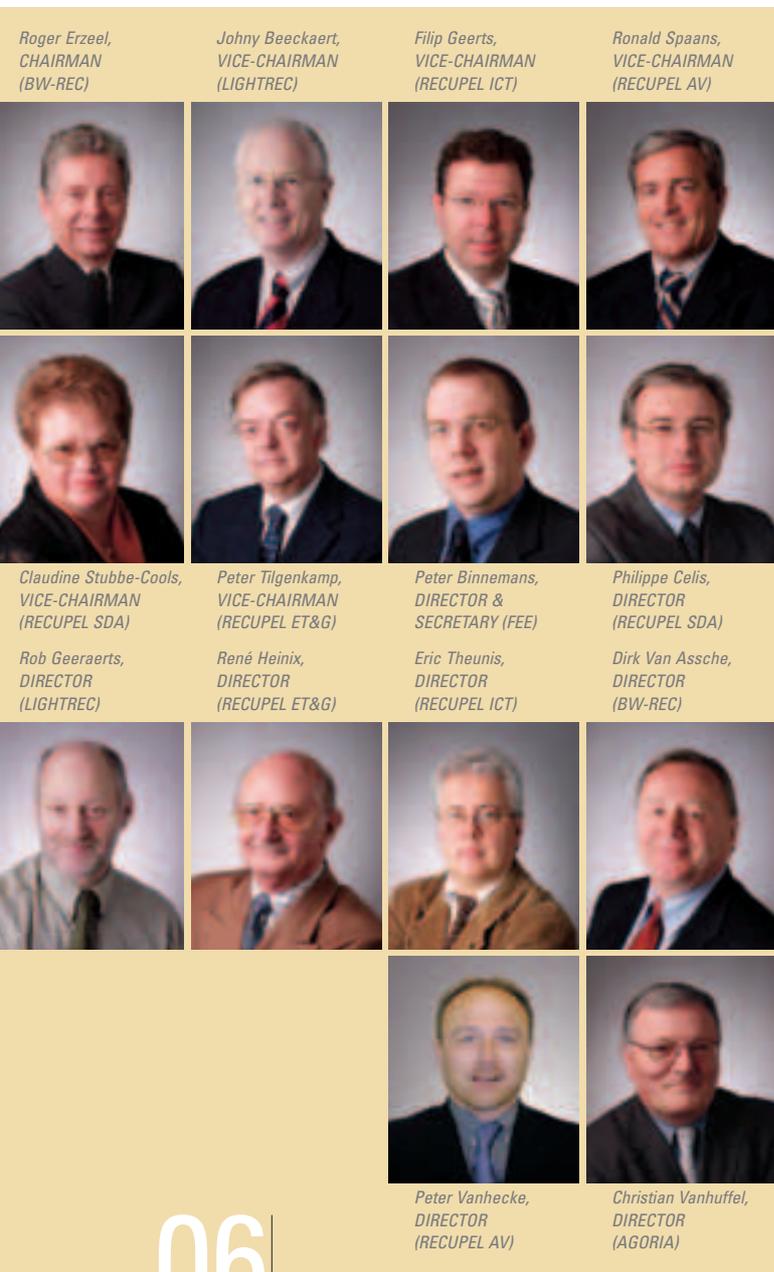
IN €	2004		2003	
ASSETS				
<i>Intangible fixed assets</i>	62,675.72		54,553.03	
<i>Tangible fixed assets</i>	108,596.02		140,150.83	
<i>Financial fixed assets</i>	1,111.26		781.77	
Fixed Assets		172,383.00		195,485.63
<i>Accounts receivable within one year</i>	8,854,579.32		6,710,201.75	
<i>Cash</i>	649,969.21		9,733,514.90	
<i>Deferrals and accruals</i>	91,051.51		190,583.64	
Current Assets		9,595,600.04		16,634,300.29
TOTAL ASSETS		9,767,983.04		16,829,785.92
LIABILITIES				
<i>Accruals for risks and costs</i>	500,000.00		2,701,028.13	
Accruals		500,000.00		2,701,028.13
<i>Accounts payable within one year</i>	9,264,743.97		14,128,731.29	
<i>Deferrals and accruals</i>	3,239.07		26.50	
Current liabilities		9,267,983.04		14,128,757.79
TOTAL LIABILITIES		9,767,983.04		16,829,785.92
RESULT AS PER 31 DECEMBER 2004				
<i>Turnover</i>	24,859,386.60		22,224,190.37	
Operating income		24,859,386.60		22,224,190.37
<i>Services and others</i>	25,824,841.50		21,756,579.15	
<i>Remunerations and direct social securities</i>	1,212,020.71		924,812.27	
<i>Depreciations, provisions</i>	105,412.47		101,979.12	
<i>Accruals for risks and costs</i>	-2,201,028.13		-455,038.86	
<i>Other operating charges</i>	9,132.31		7,607.49	
Operating charges		24,950,378.86		22,335,939.17
OPERATING PROFIT / LOSSES		-90,992.26		-111,748.80
<i>Financial income</i>		97,300.14		116,623.43
<i>Financial charges</i>		6,307.88		4,781.39
<i>Exceptional charges</i>				93.24
PROFIT / LOSS BEFORE TAXES		0.00		0.00
<i>Income taxes</i>		0.00		0.00
RESULT TO BE CARRIED FORWARD		0.00		0.00

Balance sheet of the sectors

2004 IN €	BW-Rec	Recupel AV	Recupel SDA	Recupel ICT	Recupel ET&G	LightRec
ASSETS						
CURRENT ASSETS	47,142,977.65	42,992,044.88	15,921,378.03	18,862,994.16	5,146,084.76	5,829,706.91
Accounts receivable within one year	7,538,853.38	7,386,914.59	3,599,810.32	4,363,664.85	1,411,006.28	4,014,674.50
Cash	39,414,199.70	35,433,413.70	12,265,484.35	14,434,288.05	3,732,690.61	1,814,972.08
Deferrals and accruals	189,924.57	171,716.59	56,083.36	65,041.26	2,387.87	60.33
TOTAL	47,142,977.65	42,992,044.88	15,921,378.03	18,862,994.16	5,146,084.76	5,829,706.91
LIABILITIES						
CAPITAL AND RESERVES	-175,528.54	2,926,562.95	3,543,153.45	243,019.13	1,043,731.42	595,772.78
Results carried forward	-175,528.54	2,926,562.95	3,543,153.45	243,019.13	1,043,731.42	595,772.78
PROVISIONS AND ACCRUALS	44,632,962.31	38,205,005.13	11,813,306.93	16,534,618.35	3,971,379.20	3,910,545.65
Accruals for risks and costs	44,632,962.31	38,205,005.13	11,813,306.93	16,534,618.35	3,971,379.20	3,910,545.65
DEBTS	2,685,543.88	1,860,476.80	564,917.65	2,085,356.68	130,974.14	1,323,388.48
Debts within one year	2,685,335.67	1,860,435.79	564,874.62	2,085,307.44	130,754.93	1,323,347.35
Deferrals	208.21	41.01	43.03	49.24	219.21	41.13
TOTAL	47,142,977.65	42,992,044.88	15,921,378.03	18,862,994.16	5,146,084.76	5,829,706.91
PROFIT & LOSS STATEMENT						
Operating income	23,156,008.67	19,450,242.05	7,881,323.50	10,072,240.97	4,383,310.40	5,898,785.24
Operating charges	10,413,958.37	6,331,027.16	2,410,900.79	3,589,405.77	1,319,372.36	1,315,230.86
Accruals for risks and costs	13,011,548.40	12,151,374.10	2,511,431.12	7,900,533.15	2,676,334.23	3,910,545.65
OPERATING PROFIT (LOSSES -)	-269,498.10	967,840.79	2,958,991.59	-1,417,697.95	387,603.81	673,008.73
Financial income	582,693.72	527,741.44	167,209.61	190,354.08	4,032.88	60.33
Financial charges	2,649.35	3,330.44	356.43	789.45	946.92	9,292.96
PROFIT/LOSS BEFORE TAXES	310,546.27	1,492,251.79	3,125,844.77	-1,228,133.32	390,689.77	663,776.10
Income taxes	0.00	0.00	0.00	0.00	0.00	0.00
RESULTS OF THE YEAR	310,546.27	1,492,251.79	3,125,844.77	-1,228,133.32	390,689.77	663,776.10
RESULT TO BE CARRIED FORWARD	310,546.27	1,492,251.79	3,125,844.77	-1,228,133.32	390,689.77	663,776.10

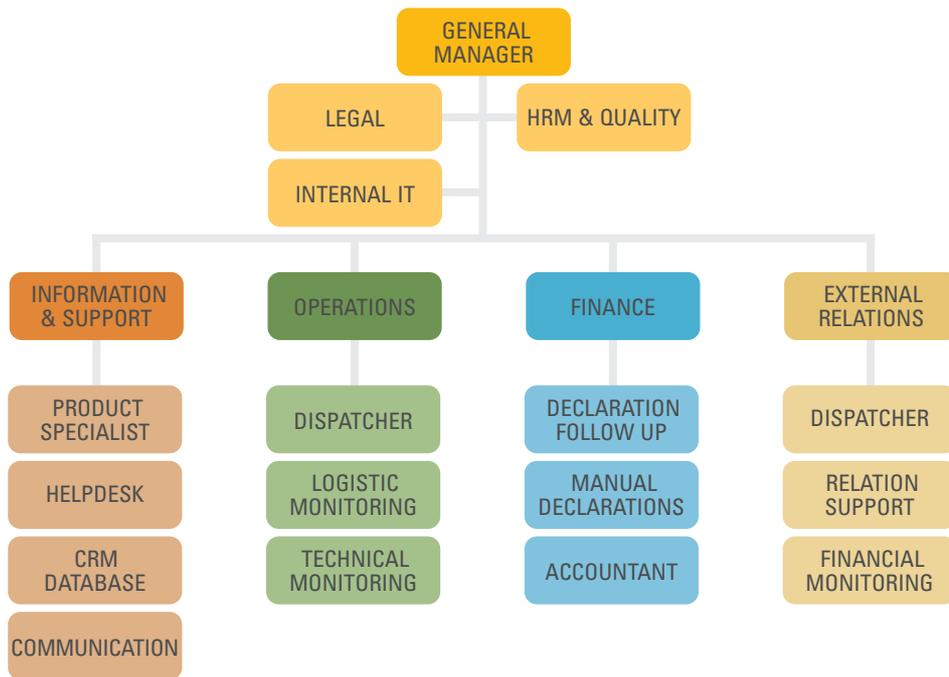
06

The Recupel organisation



6.1 The structure of Recupel

The non-profit Recupel was established by the managing bodies responsible for the various sectors. These six managing bodies each represent a well-defined group of products. The sector BW rec (large household appliances) came about due to the initiative of the Federation for Electronics and Electricity (FEE). Recupel AV (audiovisual equipment), Recupel SDA (small household appliances) and Recupel ICT (IT and communication equipment, and office equipment) were established under the impetus of the professional federation Agoria, while Recupel ET&G, which groups electrical and gardening tools, is an initiative of the federations Imcobel and Fedagrim. LightRec, the new management body established in 2004, at the initiative of Agoria and FEE. Importers and manufacturers are a member of one or more managing bodies according to the product ranges they place on the market.



6.2 The Board of Directors of Recupel brings the sectors together

The Board of directors of Recupel consists of two representatives from each sector and one representative from each professional federation (Agoria and FEE). The Board of Directors of Recupel convenes the general meeting at least once per year. At the general meeting, among others the budget, the annual accounts and the management of the directors is approved. The Board of Directors also meets regularly to be informed about matters in progress and to take decisions concerning future agreements.

6.3 The Recupel team

Recupel consists of a team of some 30 employees who work in one of the four Recupel departments: information & support, external relations, operations, and finance. The 'external relations' department was newly established in 2004 and focuses on recruiting members and on member inspections. In its daily operations Recupel is also supported by its own IT and legal staff. This structure optimally meets the needs of the target groups involved.

The Recupel Team





Conclusion by the chairman: confidence in the future

For the fourth year in a row, as chairman of Recupel I have the privilege of concluding the annual report. Four years of continuous effort and commitment lie behind us. The results of Recupel in its operations, finances and administration are something of which to be proud.

Of all the results, the collection activity speaks most to the imagination. In 2004, Recupel collected an average of 5.7 kg of appliances per resident, 25% more than the previous year. The number of members has also exhibited striking growth: at the end of 2004, we counted no less than 1,812 members and 2,853 entry agreements.

Our more active approach to companies, better follow-up of members and the continuous inspections, all accomplished during 2004, have undoubtedly contributed to this success. The increasing curve of our results is also a reflection of the continuity that Recupel has displayed for four years. The start-up phase belongs definitively to the past. For 2004, the expertise within the walls of the Recupel house was in full development, think of the new department of External Relations, and energy was put into consolidating the results.

The continuity of our organisation also demands continuity in partnerships: partnerships with industry, with the transport sector, with the consumer, but also with the public authorities. The dialogue that we have had from the beginning with the regional public bodies has gradually developed into sustainable collaboration in the inspections, based on consultation with each other and mutual trust.

Collaboration is under discussion not only in Belgium, but also at international level. Via the WEEE forum, the European platform for exchanging experience and expertise in the area of collection systems, we reflect together with European colleagues on the impact of the new legal standards on the functioning of the system. During 2004, our approach also attracted considerable interest in countries where the recycling of WEEE is still in its infancy. Recupel sees the coaching and guidance of

these countries as an important task, for which it allocates the required time and resources. We fully realise that the Belgian system is a unique microcosm of what could become a harmonised model at European level.

While our activity is focused on the optimisation of existing activities, we do not sidestep new challenges. In 2004, we established the new sector LightRec. The sector for lighting equipment is the sixth in the series and is of special significance. It is indeed symbolic of our entrance into the world of equipment for professional use. And the expansion continues. The sector electro-medical and lab equipment is on the agenda for the coming year, with Recupel resolutely pursuing the path of professional applications.

With all of this in the background, I look with confidence to the future: a future with plenty of challenges. Because even though we have already achieved good results, much needs to be done in the coming years. The market for professional waste flows lies open to us, but adapting the existing system to the needs of new products also urges itself upon us. Furthermore, I am also thinking of the policy context. In August 2005, the relevant European Directive comes into force. Given our pioneering role, our country and its approach will require only minor fine-tuning. The new emerging policy context, however, has led to negotiations in Belgium concerning the new Environmental Policy Agreements. This amended agreement between Recupel and the regional governments must take form during 2005.

I am convinced that we will approach all of these evolutions with the same common sense we have always used. We are counting on continuing along the road already travelled, a road that has been paved by our in-house experience and expertise, and via successful partnerships.

Roger Erzeel
Chairman of Recupel asbl



Colophon

PUBLISHER

Willy Quinart,
A. Reyerslaan 80, 1030 Brussels

PROJECT RESPONSIBILITY

Caroline Thienpondt

CONCEPT & PROJECT COORDINATION

Caroline Thienpondt & Katrien Verfaillie

EDITING

Pantarein, Katelijne Norga

DESIGN & PRODUCTION

Link, Waregem

PRINTED BY

Concordia, Roeselare



This annual report is printed on eco friendly and chloride free paper.

*This document is also available in French and Dutch.
Ce document est aussi disponible en français et en néerlandais.
Dit document is ook beschikbaar in het Nederlands en in het Frans.*

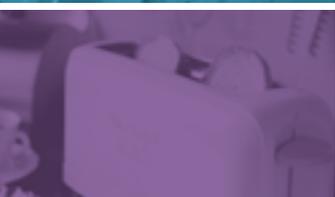
*Further copies of this annual report are available from Recupel.
This annual report can be found on the website www.recupel.be.*

www.recupel.be

Recupel asbl
Bd. A. Reyers 80
1030 Brussels
Belgium
Tel.: +32(0)2 706 86 18
Fax: +32(0)2 706 86 13

Free number: 0800 40 387

Website: www.recupel.be
E-mail: info@recupel.be



Recupel recycles your electrical and electronic equipment.

