

ANNUAL REPORT



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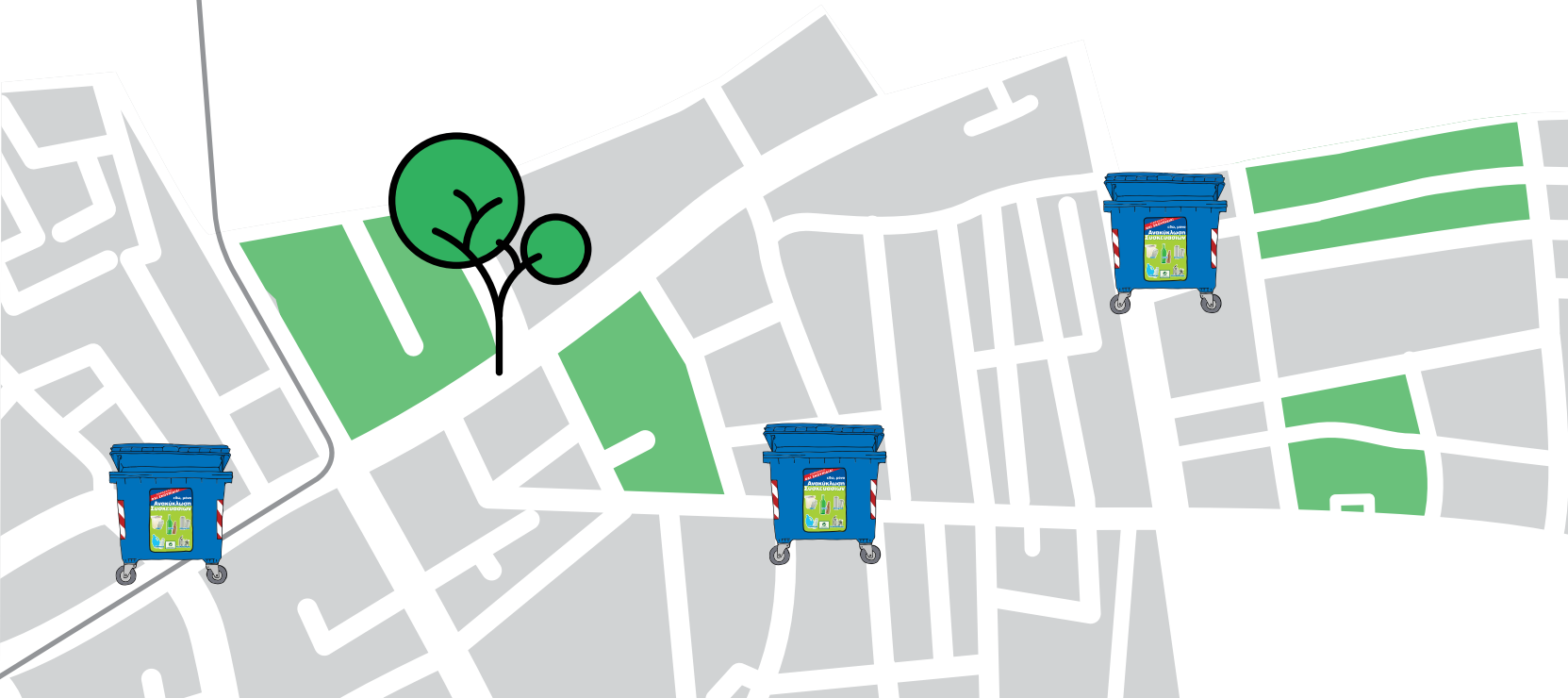


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Opening Note



Dear all,

For one more year, Hellenic Recovery Recycling Corporation, guided by a strong sense of responsibility, continues serving as the main body for packaging recycling in Greece. Ever since the initiation of our activity in 2003, we have gradually managed to make recycling a conscious decision for Greek citizens, as demonstrated through clear, measurable results.

2018 was one more successful year for packaging recycling via the Blue Bin, a fact that is illustrated through the related results. Data reveals that, for the fourth year in a row, despite the economic adversities, packaging material recycling increased (by 1% in comparison to 2017). More specifically, more than 550,000 tons of material were recycled through the activities of HERRCO in total.

Moreover, through the collaboration of 304 Local Authorities with HERRCO, we are covering almost the entire country as the packaging recycling projects are serving the needs of 96% of the population. By the end of 2018, the Blue Bins placed throughout the neighbourhoods of Greece were 165,000 and HERRCO has equipped, by now, the Local Authorities with 159 packaging material collection vehicles, which realize itineraries to the 35 collaborating Recycling Sorting Centers (RSCs).

At the same time, we focused on glass packaging recycling, with the placement of Blue Bells proving to be more and more effective. More than 8,600 bells have been placed by now in public and private spaces, demonstrating the special weight and intensity of this endeavour.

There is no doubt, then, that the Blue Bin and Blue Bell are

now in almost every neighbourhood – thanks to the decisive collaboration of the Local Authorities – and constitute the main recycling means for citizens. Simultaneously, the activities of HERRCO, apart from their obvious environmental benefits, are characterized by a growth orientation as, since its foundation in 2003 till today, €365 million have been invested in its activities (bins, vehicles, Recycling Sorting Centers, project operations etc.).

The aforementioned results serve as legacy of successful operation and outcome of excellent collaboration with both the affiliated member-companies and the Local Authorities, and, thus, we continue effectively promoting the development of the packaging recycling system in Greece, while also taking care for its constant evolution.

However, it is not only measurable results and quantitative objectives that are of interest to us. HERRCO designs and implements a series of targeted activities for the education and awareness of citizens, and especially the youth, in order for recycling to become part of everyday life. This aspect is particularly important as the current situation locally and globally calls for an enhanced environmental footprint by all human-related activities.

Therefore, in the following pages, both qualitative and quantitative data describe the work of HERRCO in its entirety for 2018.

On behalf of the Board of Directors of HERRCO,
Loukas Komis

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ADDRESS BY SOKRATIS FAMELLOS

Deputy Minister of Environment and Energy



06
Recycling reflects the progress of our country; it illustrates our environmental performance, the capitalization of innovation, the mobilization of society and the level of sustainability of the economy.

For this reason, since 2015, we have been applying significant reforms in the sector of waste handling and circular economy which were recently completed, in accordance with the European policy, the international agreements on Climate Change and the Sustainable Development Goals as of the UN 2030 Agenda.

Significant changes are also happening in Europe with the approval of the Directives for solid waste management, the new strategy for plastic materials and the Ban for single-use plastic. All these initiatives are setting the bar high for the future society of recycling, bringing forth increased responsibilities for the systems of Producer's Extended Responsibility.

Greece is by now among the pioneering countries in the EU applying a National Strategy on circular economy. Following the adoption of Law 4496/2017 regarding

alternative waste management, we proceeded with the determination of the responsibilities of the Local Authorities, as well as with the financing and operation initiation of many waste management facilities. We took action towards the reduction of plastic bag use, the rapid application of separate organic waste collection and the construction and operation of green spots. All our initiatives are aiming at the growth of recycling and sorting at source.

Recent regulations regarding the pricing policy on waste handling and the introduction of an environmental contribution towards the enhancement of circular economy activities, with immediate effect, will allow municipalities thriving in recycling to reduce council tax. This will also work as extra motivation for recycling on behalf of citizens.

Law 4496/2017 has already introduced major changes to the benefit of recycling, the legally bound producers and the alternative waste management systems. These changes combat contribution evasion, thus increasing revenues for recycling to the advantage of local communities and municipalities, introduce the monitoring of the systems by the legally bound parties themselves in full transparency, make the most of digital tools and data bases (Electronic Waste Registry, National Producers' Registry) and ensure a healthy competition within the recycling market. These changes have contributed to a 25% increase, over the past two years, in collaboration agreements with legally bound



producers, thus increasing the revenues for recycling to the benefit of local societies and municipalities, while safeguarding the financing of municipalities for the collection of recyclable materials. All these tools should be utilized under one condition: The support of the local plan of each municipality and the maximization of recycling.

Within this framework, we follow and support the work of HERRCO – the body of Alternative Management with the highest performance on recovery and recycling which contributes to the fulfilment of the national goals by the greatest percentage. An increase in recycling, the Local Authorities and citizens served and the collaboration agreements with the legally bound producers is of vital importance to our country.

However, despite the progress achieved, there are several more issues and possibilities to be addressed, since we are losing a major part of consumer resources through waste burial and we are falling behind in sorting at source and diversion from burial. In fact, this is the reason for the important reforms we have concluded, along with the new Operational Plans of Alternative Material Handling Systems – about to receive the final approval – so as to get incorporated in the national and European institutional framework.

The operation of HERRCO brings forth a powerful environmental footprint for our country, along with long experience and positive results. Still, the European legislation and the level of waste management in Greece set the standards high for the future in terms of quality and options. Society demands a much better handling of recycling, an issue intensified by the current situation of the environment and the availability of the natural resources, as well as by the need for the country's productive reorganization.

This leap of quality and the implementation of the strategy for circular economy should –and must –rely on the human resources and know-how of HERRCO and the Local Authorities. Towards this end, we are planning to increase the recycling equipment of the Local Authorities, establish new distinct streams and extend collection streams for purer materials, organize targeted programs, make the most of bailment and realize environmental awareness and educational activities by HERRCO, all aiming at the active participation of citizens and companies in recycling.

Today, new challenges lie ahead, including the connection of environmental planning with the contributions of the legally bound companies, the prevention of waste generation, the confrontation of the plastic crisis, the minimization of plastic in the sea and the incorporation of the principles of circular economy. The development of the local environmental industry and the boost of demand for secondary materials constitute special units in our plan for a circular economy.

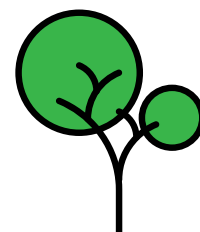
Recycling is not just a duty towards the environment. Circular economy is a major chapter of the national development plan of Greece at this new stage after the recession. Recycling can have a very positive impact on the quality of life and the environment of the country, as well as on the economy and employment. For all the above reasons, we should all form part of this alliance and social contract for recycling.

Sokratris Famellos
Deputy Minister of Environment and Energy

07



NOTE BY THE PRESIDENT OF THE CENTRAL UNION OF MUNICIPALITIES OF GREECE



08

Recycling must become a way of living for all citizens; it should constitute an integral part of their everyday life. As President of the Central Union of Municipalities of Greece, representing the Municipalities of the country in total, as well as Mayor of Maroussi, I would like to express my great satisfaction as, through our participation in HERRCO as partners, we contribute decisively in making this objective a reality, day after day.

Within this framework, we achieved for one more year an increase in the packaging material recycled; we managed, through systematic efforts, for recycling to get further established in the consciousness of local communities. However, there is more to be done.

It is imperative to design and implement recycling and handling programs adapted to the particularities and needs of the local communities, as well as

decentralization programs away from the hyper-centralized government. First level Local Authorities cannot undertake all the responsibilities and burdens due to the state's everlasting stagnation and procrastination regarding the issue of recycling.

There is a need of a modern legislative framework, which will allow Municipalities and local communities to decide themselves in which way they will handle and recycle their waste. Substantial competences should be attributed to the local societies. The central government should realize that growth on a national level is not feasible without growth on a local level.

First level Local Authorities have proved that they can serve as a driving force. This requires that they can hold a leading role in the implementation of environmental activities that can benefit society significantly. It is necessary to offer citizens economic incentives in





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various forms of subsidies (for instance, an equivalent reduction in council tax), as well as disincentives to anyone heading towards the opposite direction.

This is the only way that our country can move along with the rest of Europe; by leaving behind bureaucracy and centralism and moving forward. If the model of governance doesn't change, then we won't be able to build a "new Greece".

Over the past year, the Central Union of Municipalities of Greece continued striving towards the modernization of the institutional framework governing, among other things, the operation of recycling. A lot of progress has been done towards this direction, but there is still room for improvement. We are aware of the needs and possess the know-how to move ahead by making the most of the environmental technologies and the European experience.

Our goal is for the municipalities of Greece to participate in their entirety in the pattern of collaboration with HERRCO, while HERRCO contributes even more to the enhancement and upgrading of the equipment provided to them, in order to further promote recycling and fulfill the national objectives originally set.

On our behalf, as the Central Union of Municipalities of Greece, we will continue submitting proposals and participating actively in the design and implementation of targeted activities to raise awareness among citizens, educate and keep informing them, so that recycling becomes a conscious decision for all of us.

Giorgos Patoulis
Mayor of Maroussi
President of the Central Union of Municipalities
of Greece



Identity

HERRCO constitutes an exceptionally successful example of collaboration among the producers and importers of products available in the Greek market, the packaging manufacturers and the Local Authorities of the country, the latter being legally bound for the collection of municipal waste. By the end of 2018, the companies affiliated to HERRCO reached 2,336 and the collaborating Local Authorities throughout Greece were 304. In relation to its shareholder structure, 35% of share capital belongs to the Central Union of Municipalities of Greece and the remaining 65% to the industrial and commercial companies bound by Law to undertake the collection and recycling of their product packaging.

The operations of HERRCO are not governed by profit, but instead, by the promotion of public interest, as provided by the institutional framework in force.

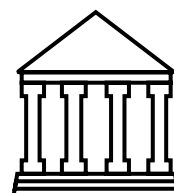
Scope

HERRCO aims at:

- The fulfillment of the legal obligation of its affiliated companies.
- The optimal utilization of the funds available by the affiliated companies in the interest of recycling.



Shareholder Structure



Central Union of Municipalities of Greece

The Central Union of Municipalities of Greece participates in the share capital of the System with 35% and is represented in the 9-member Board of Directors of HERRCO by 3 members.

The industrial and commercial companies complementing the shareholder structure of HERRCO, via Hellenic Recovery of Packaging Materials S.A., are the following:

- BA GLASS GREECE S.A.
- CHIPITA S.A.
- COCA-COLA HBC GREECE S.A.
- COLGATE PALMOLIVE (HELLAS) LTD
- CROWN HELLAS CAN S.A.
- NESTLE HELLAS S.A.
- PEPSICO - IVI LTD
- VIVARTIA S.A.
- ATHENIAN BREWERY S.A.
- ELAIS - UNILEVER HELLAS S.A.
- ELVALHALCOR S.A.
- ION S.A.
- MEVGAL S.A.
- PAPASTRATOS CIGARETTE MANUFACTURING CO.
- PROCTER & GAMBLE HELLAS LTD
- TETRA PAK HELLAS S.A.
- FAGE S.A.
- FRIESLANDCAMPINA HELLAS S.A.
- PSIGIA THEOD. KLIAFAS S.A.



European Partnerships



Expra (www.expra.eu)

HERRCO is a member of EXPRA (Extended Producer Responsibility Alliance), the European collective organization which incorporates the national Packaging Recycling Systems established by the legally bound packaging administrators and operating on a non-profit basis. Participation in EXPRA offers access to know-how regarding optimal packaging waste recovery, as well as the opportunity for more effective negotiations about common issues faced by the Recycling Systems within the European Union.

Pro-Europe (www.pro-e.org)

HERRCO is also a member of PRO-EUROPE (Packaging Recovery Organization Europe), the European collective organization handling the pan-European recycling label, known as the Green Dot. The Green Dot – by now, on most product packaging available in the Greek market – clearly states that the specific piece of packaging has financially contributed to CAMS – RECYCLING, thus fulfilling its legal obligation.

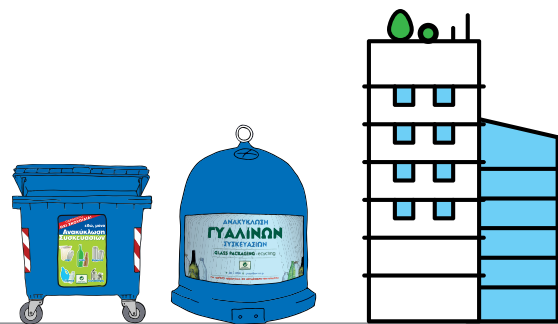
The Objectives of HERRCO

The Collective Alternative Management System (CAMS – RECYCLING) is legally bound to achieve the recycling of 60% (by weight) of the materials of the affiliated quantities.

More specifically, the objectives are:

– 65% by weight (b.w.) recovery of total of packaging waste and per material as follows:

- 50% b.w. for plastic packaging
- 25% b.w. for wood packaging
- 70% b.w. for metal packaging
- 50% b.w. for aluminum packaging
- 70% b.w. for glass packaging
- 75% b.w. for paper/cardboard packaging



Local Authorities

Local Authorities –or other competent municipal bodies –and HERRCO sign collaboration agreements aiming at the most effective organization and management of packaging waste recycling, in accordance with Law 2939/01 as amended and in effect. The framework for collaboration between the Local Authorities and HERRCO includes two alternative patterns:

Collaboration Method A'

| | |
|-----------------------|----------------------------|
| COLLECTION EQUIPMENT | System |
| RSC ESTABLISHMENT | System |
| COLLECTION OPERATION | Local Authorities |
| SORTING OPERATION | System |
| EDUCATION - PROMOTION | System / Local Authorities |



Collection Equipment

HERRCO provides municipalities with the recycling bins, as well as with the collection vehicles. It also ensures the sorting infrastructure (Recycling Sorting Centers).

Sorting -Education

At the same time, HERRCO undertakes the investment (where necessary) and operational expenses of the Recycling Sorting Centers (RSCs), along with the education - awareness of citizens in collaboration with the Local Authorities.

Collection, transfer, receipt and handling of residue

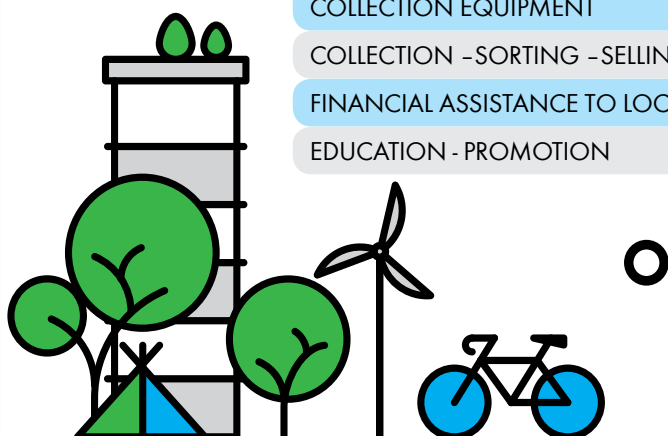
Local Authorities are responsible for the collection and transfer of recyclable materials to the RSCs, as well as for the receipt and handling of the collection residue corresponding to them.



Collaboration Method B'

The Local Authorities undertake the responsibility to design, organize and operate the packaging waste recycling and recovery projects. In this case, the System covers the expenses for the collection equipment, while the financial assistance it offers to the Local Authorities is equivalent to the certified quantities of the acquired materials delivered for recovery, according to the procedures approved by the competent authorities.

| | |
|---------------------------------------------|----------------------------|
| COLLECTION EQUIPMENT | System |
| COLLECTION - SORTING - SELLING OF MATERIALS | Local Authorities |
| FINANCIAL ASSISTANCE TO LOCAL AUTHORITIES | System |
| EDUCATION - PROMOTION | System / Local Authorities |



Affiliated Member-Companies

The companies already affiliated with HERRCO cover the largest part of the legal and financial obligation regarding packaging recycling in Greece. At this point, it must be stressed that the funds of the System derive exclusively from the affiliated companies. The average yearly revenue from each new contract reached €530 in 2018. The total revenues from contributions increased by about 2% in relation to the previous year.

CHART 1

PROGRESS OF SIGNED AGREEMENTS

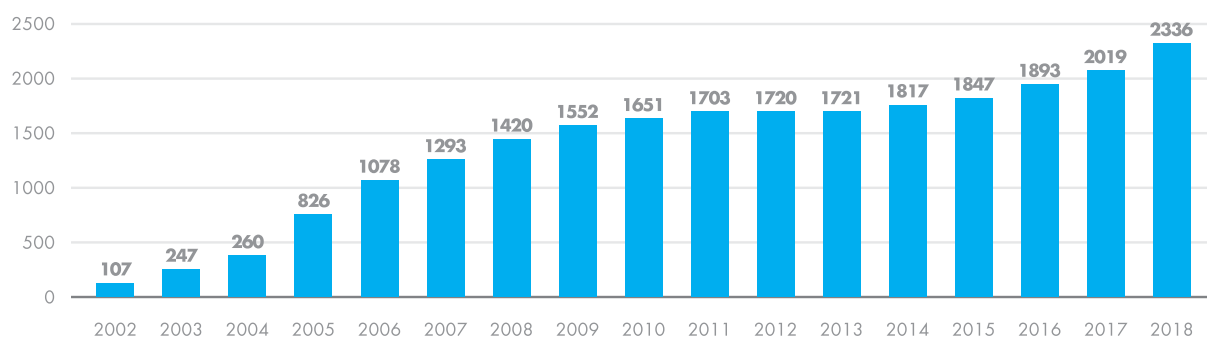


Chart 1 presents the progress of signed agreements, starting from the foundation of the System till the end of 2018. By December 31, 2018, the companies which had signed a Collaboration Agreement with the System were 2,336 in total.



CHART 2

% OF CONTRIBUTION PER CATEGORY BY THE AFFILIATED COMPANIES

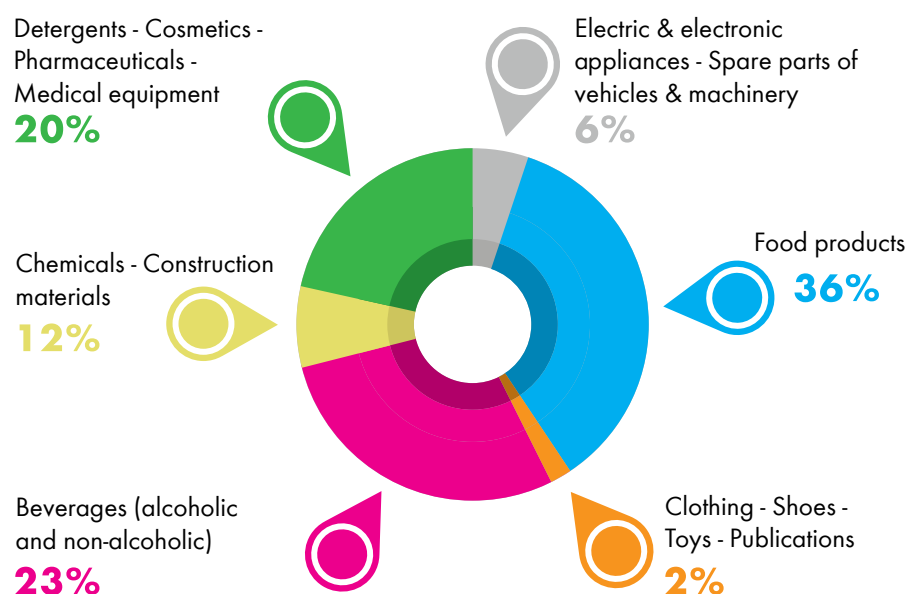


Chart 2 depicts the extent of contribution per category on behalf of the affiliates. The majority of contributions (60%) results from companies active in the food and beverage sector.

Packaging material of affiliated companies

In 2018, approximately 385,000 tons of packaging material were made available in the Greek market by the companies affiliated with the System.

| PACKAGING MATERIAL | Quantities by affiliated companies (in thousand tons) |
|----------------------------|-------------------------------------------------------|
| Paper - Cardboard | 143 |
| Paper packaging of liquids | 12 |
| Plastic | 97* |
| Aluminum | 18 |
| Tinplate | 22 |
| Glass | 74 |
| Wood | 17 |
| Others | 2 |
| TOTAL | 385 |

*includes "plastic shopping bag"

The System

The packaging waste relevant to the Collective Alternative Management System (CAMS - RECYCLING) derives from various sources and follows different routes after being used and discarded. Driven by the optimal European practices, HERRCO has developed a flexible action plan aiming at the most effective utilization of the funds placed in the market by the affiliated companies for packaging recycling. Thus, the activities of HERRCO include:



Blue Bin Project

The Blue Bin constitutes the fundamental method for the fulfillment of the national objectives and it involves the recycling of municipal waste. The Blue Bin Project is addressed to the general public, in other words to all the inhabitants of Greece, and is developed in close collaboration with the Local Authorities, as provided by the institutional framework.

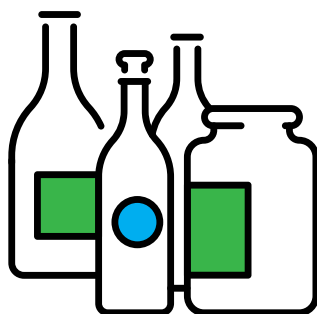
Citizens are called to place their recyclable materials (packaging waste made of paper-cardboard, plastic, glass, aluminum and tinplate) in the Blue Bin. Worthy of special mention are also the quantities of print paper –a material that is also discarded in the Blue Bin and recycled –despite the fact that these quantities are not included in the fulfillment of the packaging recycling objectives.

The recyclable materials are collected and transferred by the municipalities to the Recycling Sorting Centers (RSCs) where they are sorted and dispatched for recycling. HERRCO promotes the development of the particular method in order to gradually cover the entire population of Greece and continue modernizing the existing infrastructure.

In special cases, such as the islands or areas where the Local Authorities choose to apply a different plan to that of the integrated stream of packaging recycling (such as the regional units of West Macedonia and Chania), the recycling projects apply more complex collection methods in cooperation with the Local Authorities (two or three collection streams).



Blue Bell Project



The Blue Bell serves exclusively for the collection of glass packaging deriving from municipal waste. It mainly addresses large producers and venues of business activities which involve the consumption of goods in glass packaging, such as entertainment venues, hotel complexes, bars, cafeterias, restaurants etc. The goal of the particular project is to create a glass packaging waste stream that is as clear and unmixed as possible, close to its point of generation.

Special Recycling Projects

Apart from the Blue Bin and Blue Bell projects –and in general the projects realized in collaboration with the municipalities HERRCO has developed complementary projects such as recycling certification/recording of Industrial and Commercial Packaging Waste (ICPW), energy recovery through the use of alternative fuel, organic recycling of wood packaging, recording for wood packaging reuse, recovery of packaging waste through the treatment of common waste etc. These projects are developed in order for all possible sources of recovery to contribute to the fulfillment of the National Objectives, and, thus, get the big picture of recycling in Greece then to be brought to the attention of the competent authorities.



The Blue Bin

The Blue Bin constitutes by now an identifiable element of the urban and semi-urban landscape, having gained the acceptance of both citizens and businesses as the effective way for packaging recycling. At the moment, there are approximately 165,000 Blue Bins placed throughout Greece, always in collaboration with the municipalities.

The Blue Bin recycling system includes three stages:

1 Sorting at source

After collecting their used packaging separately in their household, citizens are asked to dispose of it in the Blue Bin of their neighborhood. The Blue Bin serves for the recycling of all sorts of packaging material (plastic, glass, paper-cardboard, aluminum, tinplate), thus making the process of recycling simpler for citizens and the placement of bins in public space more functional.

2 Collection

The packaging materials accumulated in the Blue Bins are collected on a regular basis by the specialized vehicles that HERRCO has provided the Local Authorities with and are then transferred to the Recycling Sorting Centers (RSCs).

3 Further sorting at the RSCs

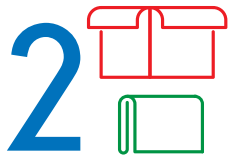
Using specialized electromechanical equipment along with careful hand sorting, the packaging materials arriving at the RSCs are split in more than 15 categories of material such as: paper-cardboard packaging, liquid cartons, print paper, several types of plastic packaging (PET, HDPE and others), plastic film, glass bottles and containers, aluminum and tinplate packaging.



What is the proper way for recycling?



We separate packaging materials from all other waste on a daily basis.



We completely empty packaging from all residue. We fold cardboard boxes.

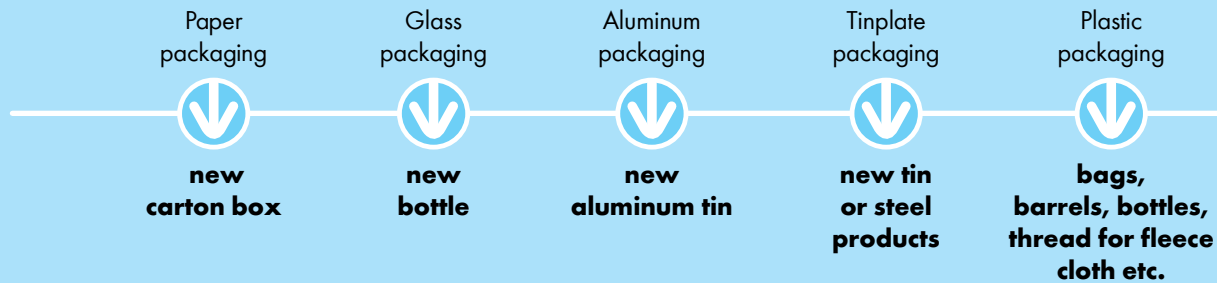


We dispose of packaging loose in the bins and not tied-up in bags.



We NEVER throw common waste into the Blue Bins of packaging recycling.

What becomes of recyclable packaging?



What goes into the Blue Bin for recycling?



The Blue Bin in 2018

In 2018, the System continued evolving and new areas were incorporated into the packaging recycling project through the Blue Bin and Blue Bell.



10.3 million
of population served

304
Local Authorities

96%

of the total population has
access to recycling



Overall Presence of HERRCO

BINS (ACTIVE)

165,000



BELLS

8,600

VEHICLES

519



35

Recycling Sorting Centers
in operation throughout
Greece

550,000

tons of packaging material
and print paper were recycled
in 2018 (including ICPW
quantities)

2,600

full-time working positions

More than

125,000

collection itineraries of
recyclable materials realized
by the Local Authorities



23

The Blue Bin per Region

Mainland Greece

WEST MACEDONIA

POPULATION: 283,689
VEHICLES: 4
BINS: 5.437
P.W. RECOVERY (tons): 3.909

EPIRUS

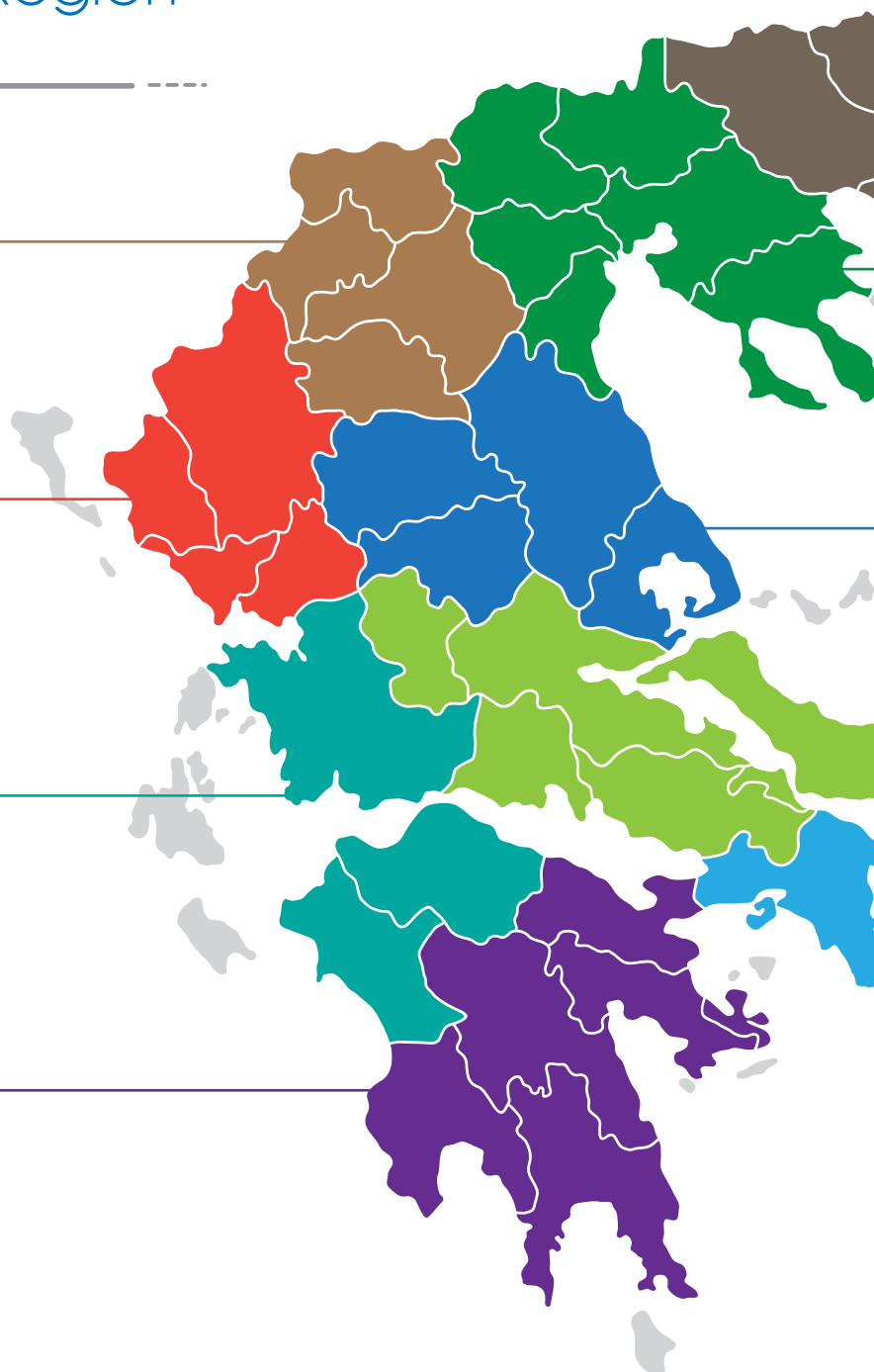
POPULATION: 290.611
VEHICLES: 11
BINS: 3.882
P.W. RECOVERY (tons): 4.924

WESTERN GREECE

POPULATION: 593,757
VEHICLES: 24
BINS: 8,893
P.W. RECOVERY (tons): 5.401

PELOPONNESE

POPULATION: 543,162
VEHICLES: 28
BINS: 13,539
P.W. RECOVERY (tons): 9.777





EAST MACEDONIA & THRACE

POPULATION: 608.182
VEHICLES: 5
BINS: 9.431
P.W. RECOVERY (tons): 7.261



CENTRAL MACEDONIA

POPULATION: 1.858.391
VEHICLES: 91
BINS: 29.543
P.W. RECOVERY (tons): 28.402



THESSALY

POPULATION: 713.968
VEHICLES: 29
BINS: 10.938
P.W. RECOVERY (tons): 10.454



CENTRAL GREECE

POPULATION: 522.257
VEHICLES: 32
BINS: 9.116
P.W. RECOVERY (tons): 8.291



ATTICA

POPULATION: 3.756.595
VEHICLES: 190
BINS: 45.545
P.W. RECOVERY (tons): 45.719

The Blue Bin per Region

The Islands

IONIAN ISLANDS

POPULATION: 203.583
VEHICLES: 17
BINS: 4.291
P.W. RECOVERY (tons): 4.914

SOUTH AEGEAN

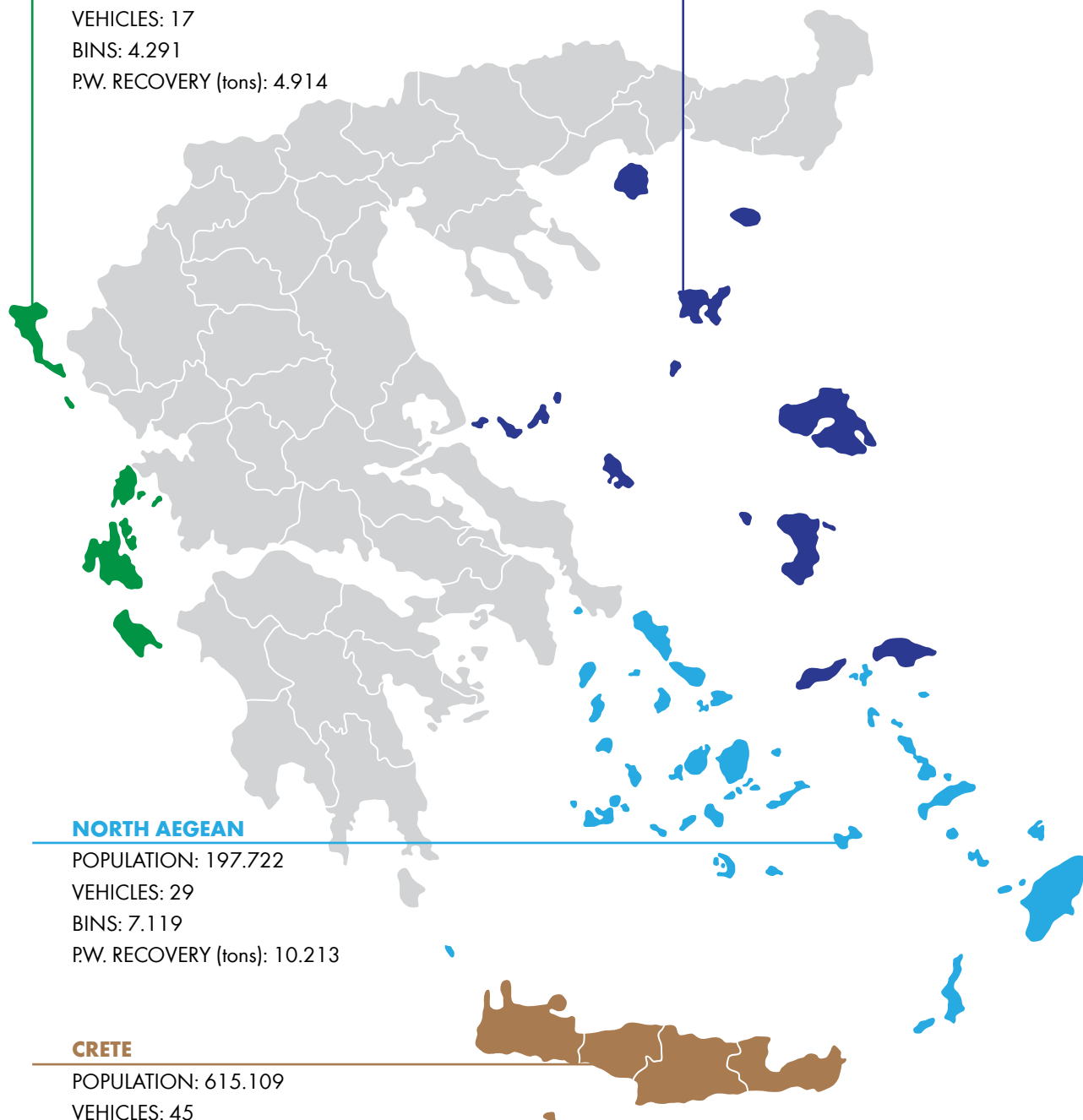
POPULATION: 152.075
VEHICLES: 11
BINS: 3.881
P.W. RECOVERY (tons): 3.049

NORTH AEGEAN

POPULATION: 197.722
VEHICLES: 29
BINS: 7.119
P.W. RECOVERY (tons): 10.213

CRETE

POPULATION: 615.109
VEHICLES: 45
BINS: 13.314
P.W. RECOVERY (tons): 16.718



Islands with active recycling projects in 2018

AGISTRI
ALONNISOS
AMORGOS
ANDROS
ANTIPAROS
CHIOS
CORFU
FOLEGANDROS
GAVDOS
IOS
KEA
KEFALONIA
KYTHIRA
KYTHNOS
KOS

LEROS
LESVOS
LEFKADA
LIMNOS
LIPSI
MILOS
MYKONOS
NAXOS
OINOUSSES
PAROS
PATMOS
PAXI
POROS
RHODES
SAMOTHRAKI

SAMOS
SIFNOS
SKIATHOS
SKOPELOS
SKYROS
SPETSES
SYROS
THASOS
THIRA
TINOS
PSARA
ZAKYNTHOS



27





The Blue Bell

As significant quantities of glass bottles are accruing from specific business venues, HERRCO has established since 2013 a separate stream for glass recycling in order to serve the needs of businesses such as hotels, catering companies, event halls, bars, restaurants, cafeterias and others. The basic means for the separate collection of glass is the Blue Bell.

2018 proved to be a positive year for glass recycling as HERRCO managed to further expand the network which serves almost all local businesses, by placing Blue Bells in public spaces in collaboration with the municipalities.

More than 8,600 Blue Bells have been placed in private and public premises with the collaboration of 243 Local Authorities, addressing the needs of almost 20,000 businesses.

The results of glass packaging recycling via the Blue Bell increased significantly (by 13%) in comparison to 2017.



The total progress of the Blue Bell project is illustrated on the following table:

| | 2017 | 2018 | Change % |
|-----------------------------|--------|--------|----------|
| Municipalities served | 230 | 243 | 6% |
| Blue Bells in place | 8,073 | 8,606 | 7% |
| Businesses served | 17,890 | 20,000 | 7% |
| Quantities recovered (tons) | 11,917 | 13,493 | 13% |

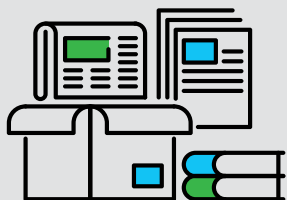
Of great importance in this endeavour form the regular updates of businesses through visits by representatives of HERRCO and the distribution of related informational material. In particular, more than 50,000 informational visits were realized in 2018, corresponding to 3-4 visits per business on average.

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Special Recycling Projects

Apart from the Blue Bin and Blue Bell Projects, HERRCO engages in activities of recycling recording and certification from external sources. More specifically:



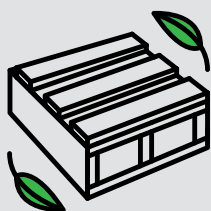
ICPW

Industrial and Commercial Packaging Waste (ICPW) constitutes the most important external source of recycling and involves mostly private, that is non-municipal (outside the collection mechanism of the Local Authorities) recycling accruing from third parties. This recycling is certified by HERRCO on behalf of the competent authorities and according to procedures approved by the competent authorities. Controls, recording and certifications organized by HERRCO are realized by specialized audit companies. The recorded results of ICPW are in direct association with the local and international market circumstances, as they actually illustrate in part the business activity of the industrial and commercial companies. In 2018, HERRCO certified 276 thousand tons of ICPW (paper, plastic and aluminum packaging).



Material delivery to recycling industries

In 2018, an additional quantity of recycling of 731 tons of tin cans and 4.8 thousand tons of glass bottles was recorded, in collaboration with HELLENIC ALUMINIUM INDUSTRY S.A. (ELVAL S.A.) and YIOULA GLASSWORKS S.A.



Organic recycling of wood packaging

Given the lack of an end recipient for the recovery of wood packaging in Greece, HERRCO implemented in 2018 as well the alternative solution of dispatching wood packaging (mostly wooden pallets) for the production of soil improver - mold (compost). At the same, the recording for the preparation of wooden packaging reuse was continued. In 2018, HERRCO certified 13.9 thousand tons of wood packaging for recycling.

Recovery of Packaging Waste through the processing of mixed waste



In 2018, an agreement was concluded between HERRCO and DIADYMA for the certification of packaging material deriving from the Facility of Waste Handling in Western Macedonia. In 2018, 5.1 thousand tons of packaging were recovered and recycled, out of which, 1.2 thousand tons were metallic packaging, 2.2 thousand tons were paper/cardboard packaging and 1.7 thousand tons were plastic packaging. HERRCO also recorded the packaging material recovered via the Factory of Mechanical Recycling operated by EDSNA within the 1st Integrated Facility of Waste Handling in Western Attica. More specifically, in 2018, 9.1 thousand tons of packaging were recovered and recycled, out of which, 2.9 thousand tons were metallic packaging, 2.3 thousand tons were paper/cardboard packaging and 3.4 thousand tons were plastic packaging.

31



Project Results

2018 was a year with a rise in the results of recycling.

- There was a 1% increase in packaging waste recycling in comparison to 2017.
- 8,606 Blue Bells (glass stream) have been placed by the end of 2018 in 243 municipalities and 1,950 in private spaces. In total, this project serves 20,000 businesses generating glass packaging waste (restaurants, bars, entertainment venues, hotel complexes etc.)

- HERRCO has spent almost 356 million Euros in investments (bins, vehicles, RSCs) and in the operational expenses of recycling projects, from the establishment of the System to date.



YEARS 2009 -2018 AT A GLANCE

| Index | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|-------------------------------------------------------------------------|------|------|------|------|------|------|------|------|------|------|
| Inhabitants served (cumulative sums, millions) ⁽¹⁾ | 7,6 | 8,1 | 8,1 | 8,9 | 9,4 | 9,4 | 9,9 | 10,1 | 10,3 | 10,3 |
| Percentage of population coverage (%) | 74% | 79% | 79% | 82% | 87% | 87% | 92% | 94% | 95% | 96% |
| RSCs (cumulative sums) | 22 | 28 | 27 | 28 | 29 | 30 | 32 | 32 | 33 | 35 |
| Collection vehicles delivered (cumulative sums) | 327 | 359 | 370 | 387 | 406 | 430 | 473 | 493 | 505 | 519 |

(1) It includes collaborating Local Authorities or other bodies handling municipal waste. The population figures for 2012-2016 are based on the 2011 Census by the National Statistical Service of Greece (while the population figures for 2009-2011 are based on the 2001 Census by the National Statistical Service of Greece).



Control Procedures

HERRCO applies specialized measurement, control and monitoring procedures in order to safeguard the reliability of the results of packaging recycling. These procedures have been brought to the attention of the competent authorities or have been instructed by the latter. More specifically:



Blue Bin project (Recycling Sorting Centers)

Weighing, recording and controls on incoming quantities:

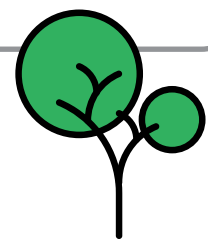
- Delivered by the Local Authorities directly to the RSCs
 - Transferred via reloading premises
 - Accruing from the Local Authorities of islands
- Sample verification of load weights.

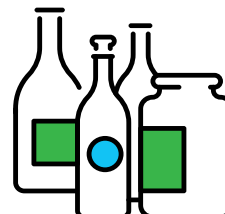
Quantities recovered

- Measurements for the identification of the anticipated quantities of recovered materials and remnants.
- Full weighing and recording of recovered materials.
- Measurements of packaging that might be lost in remnants.
- Measurements for quality identification of recovered materials.
- Control on mass balances.

Quantities sold

- Verification of data based on sales invoices of packaging material dispatched to the secondary market.
- Control on mass balances so that the certified quantities sold do not exceed the certified recovery.





Blue Bell Project

- Recording and control of collection itineraries.
- Recording and control of collected quantities upon their entrance in the consignees of glass bottles.
- Controls on mass balances based on sales invoices.

ICPW

- Recording and control on ICPW loading or unloading at collaborators' facilities.
- Analysis of packs in order to identify the percentage of packaging.
- Control on sales invoices in order to avoid the double entry of quantities from RCSs to ICPW and vice versa.

Wood Packaging

- Quality recording in the presence of inspectors to verify that the material being broken down into pieces is actually wood packaging.
- Sample recording of material loading at the collector's - processor's unit.
- Sample recording of material unloading at the end recipients' facilities.
- Extrapolation of percentage of used wood packaging used for the production of new products (preparation for reuse).

Green Bin Recovery Projects

- Sample recording upon loading of packaging waste intended for sale.
- Analyses of packs of final products for the determination of packaging percentage.



For all the projects of the System, a total of 51,000 hours of controls were realized in 2018 by specialized certification organizations (TÜV AUSTRIA, BUREAU VERITAS, EUROCERT).



1 Corporate Communication – 15 years HERRCO:

Elektronische Entsorgung Altkomponenten: Auswertung
13 angeschlossene Partner

| Kategorie | Wert |
|---------------|-----------------------------------|
| Partizipation | 15 angeschlossene Partner |
| Kollektion | 95% (ca. 100.000 kg e-Schutt) |
| Entloftung | 8.700 (ca. 100.000 kg e-Schutt) |
| Entloftung | 340€ (ca. 100.000 kg e-Schutt) |
| Entloftung | 303 (ca. 100.000 kg e-Schutt) |
| Entloftung | 162.000 (ca. 100.000 kg e-Schutt) |
| Entloftung | 506 (ca. 100.000 kg e-Schutt) |
| Entloftung | 2.176 (ca. 100.000 kg e-Schutt) |
| Entloftung | 6 (ca. 100.000 kg e-Schutt) |

Entloftung
Entloftung
Entloftung
Entloftung
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Entloftung

2 Local Media Campaign: Proper use of the Blue Bin

Η Νάφος καλωσορίζει την Ανακύκλωση

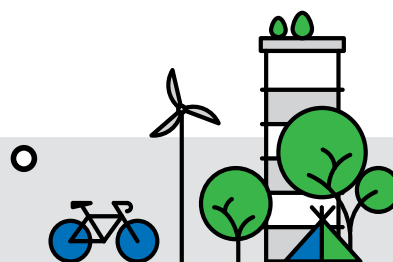
Η Νάφος καλωσορίζει την Ανακύκλωση. Η Νάφος είναι η πρώτη εταιρεία στην Ελλάδα που έχει πάρει το πιστοποιητικό ISO 14001, το οποίο αφορά τον τρόπο με τον οποίο η εταιρεία διαχειρίζεται το περιβάλλον.

3 Promotional activities: Proper use of the Blue Bin

Coverage: Local

- Distribution of info pack to the households of the 3 new Local Authorities which recently joined the packaging recycling project, including: the recycling bag, a special brochure with useful information about packaging recycling and each mayor's letter addressed to the citizens. Last year, 8,585 info packs were distributed to corresponding households.
- Especially for the Blue Bell recycling project, info visits to restaurants/bars/cafe/terrace were realized in 230 municipalities throughout the country to promote glass packaging recycling. About 20,000 businesses were informed with 3-4 visits each throughout the year.
- Promo activities with stands, distribution of info material and recycling game in the nursery school of Kallithea and during the Peace Run organized by the municipality of Aghios Dimitrios.

4 TV Campaign:



Campaign Content:

Driven by the motto, "Recycle - Make it a way of living", HERRCO realized a dynamic info campaign about the benefits of packaging recycling and the proper use of the Blue Bin, in collaboration with SKAI media group, through messages and special programs communicated via SKAI TV, SKAI and SPORT FM radio stations, skai.gr and related info events in various municipalities throughout Greece.

- TV presence: spots, news pieces and specials on TV programs and main news bulletins.
- Radio presence: spots, interviews and references on radio shows.
- Internet presence: banners, articles and press releases.
- Events organized at municipalities throughout Greece and more specifically at: Thessaloniki, Arta, Thermaikos, Rethymno, Larissa, Kos, Trikala, Aigaleo, Drama, Veroia.



5 Educational Community



5.1 Educational / Entertainment activities for children

- Fun - educational events, like the Recycling Fun Fair. In 2018, 49 events were realized in collaboration with municipalities of Greece. It is estimated that more than 15,000 children attended these events.
- Concert: "Jazz for kids and grown-ups". An event of mainly musical profile, where recyclable

packaging is transformed into musical instruments and people are invited to learn through music about recycling in the Blue Bin. The event took place in Rhodes, Kos, Pallini, Herakleion, Drama and Kallithea.

5.2 Educational programs at schools

- Implementation of the program "Recycling at School: Changing Attitudes" involving the placement of a Blue Bin of 360lt capacity within the school community along with educational presentations aiming at the awareness of students. In 2018, 1,377 presentations took place at schools in Attica and Thessaloniki, where 34,400 students were informed about the benefits of recycling and the proper use of the Blue Bin, while 300 bins were placed at schools.
- Implementation of the educational program "Discover how you can properly recycle through the Blue Bin", under the license of the Ministry of Education. It consists of 5 modules along with numerous educational methods like games, exercises and role playing. The

educational kit delivered to schools contains the following: time plan and program of packaging recycling classes, detailed curriculum along with aids, informational brochure about packaging recycling, poster and educational video. Moreover, a specialized webpage was developed for additional material.

- Visits of students to RSCs of HERRCO, offering them the opportunity to attend the entire recycling process in person. In 2018, 50 visits of this sort were realized throughout Greece.
- Participation - Support of the environmental education network at primary and secondary educational institutions in Thessaloniki regarding recycling.

In 2018, HERRCO, in collaboration with Anatoliki S.A. Local Authority, created new educational material for Packaging Recycling in Kindergarten, including a presentation, an interactive game and a board game, and adapted to the cognitive, emotional and psychosocial characteristics of toddlers. At the same time, a new educational kit for Nursery Schools was developed, which includes:

- An illustrated story, with tasks promoting experiential activities
- A guide for instructors
- A guide for parents

6

Local Authorities and other bodies

1. Placement of permanent informational material at central spots in municipalities throughout Greece:
 - Stands with info brochures
 - Posters
2. Participation in related events
3. Pilot training seminars for the employees in the cleaning service at the municipalities of Thermoikos, Chalkidona, Ambelokipoi - Menemeni, Pylaia - Chortiatis, Thermo, Oraikastro, Thessaloniki, Delta.

Participation in related events – conferences

- Participation in environmental events regarding recycling in the municipalities of Ioannites, Pallini and Pavlos Melas in order to reward schools which participated in Recycling Championships. HERRCO offered the schools related rewards.
- Participation in and support of special conferences and events regarding packaging recycling, with related speeches:
 - Day-conference at the Chamber of Kilkis.
 - Conference "Investments in Greece and growth prospects".
- 12th Panhellenic Summit of Solid Waste Handling Bodies of Central Macedonia.
- 28th Conference of the Panhellenic Network of Environmental Organizations.
- Green Tech Challenge – Contest for innovative ideas organized by the National Technical University of Athens.
- Booth in the 2nd Forum of Technology and Environment Verde Tec at MEC Paiania, where HERRCO was awarded as the most effective System.
- Sponsor of Best City Awards 2018, realized for a third year in a row by the Central Union of Municipalities of Greece. HERRCO awarded DEDISA and Naxos for their innovative activities and technologies for smart, sustainable cities. Around 300 representatives of Local Authority organizations participated in the event.
- Participation in the 83rd Thessaloniki International Trade Fair with a specially designed booth in collaboration with the municipality of Thessaloniki and the Recycling Fun Fair. A day-seminar was also realized under the theme of "Proper waste handling and environmental protection", where HERRCO participated with a speaker.
- Participation in the 4th Recycling Festival organized by the municipality of Thessaloniki within the facilities of the Thessaloniki International Trade Fair. The goal of the event was to point out the importance of recycling and raise the awareness of students, citizens and visitors. During the event, two day-seminars took place, where HERRCO participated with a speaker.
- Support of the association "Friends of Nea Paralia" with "Recycled Fashion", aiming at the awareness of citizens in relation to recycling, under the auspices of the municipality of Thessaloniki.
- Participation in Ergo Marathon Expo with a booth, within the framework of the 36th Athens Authentic Marathon.
- Support for the 10th year in a row of the Athens Authentic Marathon through the collection and recovery of recyclable materials used by the runners and spectators. The collection of the recyclable packaging material was realized within the framework of the official voluntary program of the Athens Authentic Marathon by the volunteers of the NGO Team for the World, as well as other volunteers – more than 120 in total. The result of this organized activation was the collection of about 8.7 tons of recyclable materials.

7 Awareness activities with affiliated companies

- Distribution of info material to the personnel of companies affiliated to HERRCO (Masoutis, Jannsen, Procter & Gamble, Johnson & Johnson, Mercedes Benz).
- Organization of special info activities in the premises of affiliated companies, addressed to their employees.
- Organization of info activities in collaboration with affiliated companies in their stores, addressed to the general public.
- Print ad displaying all the names of the companies affiliated to HERRCO.
- Print ad with special illustration for the 15 years of HERRCO on trade magazines.
- Support of the program "Recycle at the Beach" by the Coca-Cola Foundation, realized from July to October 2018 in the municipalities of Thessaloniki, Marathonas, Naxos and Chania.



8 HERRCO placed Blue Bins for the collection of recyclables at the following event venues:

RELEASE FESTIVAL 2018

MADE IN BEER FESTIVAL 2018

SUMMER NOSTOS FESTIVAL 2018 (SNF)

CONCERT: AGGELAKAS – PAVLIDES

ROCKWAVE FESTIVAL 2018

**CONCERT: PAPAKONSTANTINOU – MALAMAS
(ASPROVALTA)**

RELEASE ATHENS AUTUMN EDITION 2018 FESTIVAL

PEPPER RADIO EVENT (GAZARTE)

ΑΥΘΕΝΤΙΚΟΣ ΜΑΡΑΘΩΝΙΟΣ 2018

CONCERT: MARAVEYAS

AMITA MOTION 2018

BURGER FEST 2018

ATHENS BAR SHOW 2018

CHRISTMAS THEATER 2018

PLISSKEN FESTIVAL 2018

CONCERT: PETER MURPHY

CONCERT: PYX LAX

EJEKT FESTIVAL 2018

SNF RUN 2018 (SNF)

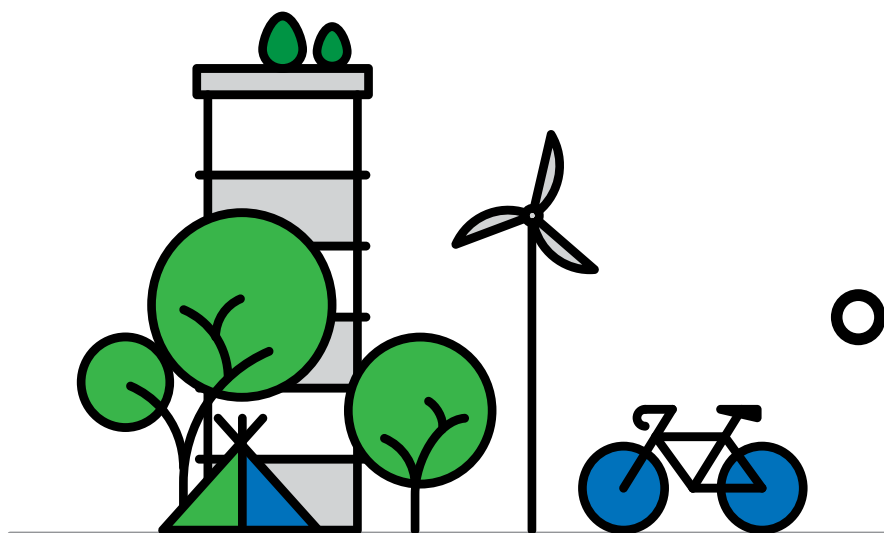
In total, 80 tons of recyclable materials were collected.





9 Miscellaneous

- Operation and updates of the HERRCO fan page on Facebook titled "Packaging Recycling in the Blue Bin -RECYCLE" with more than 97,000 followers.
- Publication of annual report titled "15 years HERRCO".
- Creation of 3 electronic newsletters presenting the activities of HERRCO and addressed to central bodies, public administration, Local Authorities and affiliated companies.
- Production of specialized communication tools (i.e. info brochures, posters and stands).
- Production of new corporate video (80 sec) for the 15 years of HERRCO.
- HERRCO responded to 220 written messages by citizens either via its webpage or via its e-mail address or via its Facebook page, while it answered to more than 1,050 queries of citizens over the phone.
- Creative design and dispatch of Xmas card to affiliated companies, Local Authority organizations and public administration.
- Creative design of new corporate logo "15 years HERRCO"
- Publication of 5 press releases.





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