



ANNUAL REPORT 2014





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FOREWORD

February 2014 officially saw the end of an 18-month transition period for photovoltaic (PV) WEEE legislation. Most PV-relevant markets apart from Germany adopted

SMART SERVICES AT A COMPETITIVE PRICE

WEEE regulations that would cover PV modules for the very first time, making take-back and recycling mandatory for EU-based PV actors.

What some expected to be the answer to uniform PV waste management across Europe has proven to be a very country-specific matter. WEEE is not a 'one-size-fits-all' solution but an approach tailored to individual countries. Hence, explaining to members and prospects what their national requirements are, helping them to find their place in the WEEE jungle and providing them with efficient and effective compliance solutions became our main focus in 2014.

*Jan Clyncke,
Managing Director*



"2014, which was expected to be the first year of WEEE compliance, was another transition period for the European PV industry."

While WEEE continued to bring complexity to our industry in 2014, PV CYCLE passed the 10,000-tonne milestone, while PV CYCLE France and our UK distributor programme won government-approval to operate under PV WEEE – and were the only ones in their countries to do so. A real success!

The trust we have won from both authorities and industry is the factor which motivates us to further step up our European operations while pushing ahead with life-cycle management on a global scale. 2014 paved the way for a number of new activities and we are looking forward to achieving new milestones with our members and network partners.

Sincerely yours,

A handwritten signature in blue ink, appearing to be 'J. Clyncke', written over a horizontal line.



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WASTE MANAGEMENT & LEGAL COMPLIANCE IN EUROPE

Since 2012, the waste management of PV modules has been officially regulated under Directive 2012/19/EU on Waste Electrical and Electronic Equipment (WEEE) in

2.1 | THE LEGAL LANDSCAPE

Europe. On 14 February 2014, the official transposition of the EU text into national law was completed and manufacturers and importers (Producers) of PV modules became responsible for complying with national legislation. While Germany has not so far passed any national laws, PV module waste management has become a mandatory requirement in a number of PV-relevant countries, including Italy, France and the United Kingdom. Austria, in turn, has adopted its WEEE law with a transition period for PV Producers which is to end only in 2016. In Belgium, the law already adopted will not enter into force until the first quarter of 2016.



During 2014, PV CYCLE continued to work alongside its business partners and WEEE authorities to ensure a smooth landing for its members and prospects. Our legal work included filing for WEEE accreditations in Italy, the UK and France, as well as continued lobbying efforts for a German WEEE law that would reflect the needs and specifics of our industry. The work of adapting our schemes to meet national requirements will continue during 2015 while a number of Member States finalize their set-up of PV-relevant procedures and formalities.



“WEEE law is not a ‘one-size-fits-all’ matter. The reality is country-specific procedures, definitions and requirements.”

Countries with PV WEEE law 2014
(Only orange countries apply to PV modules)





2.2 | LEGAL DIFFERENCES

While the majority of Member States chose to make the first marketers of PV modules – the national manufacturer or importer – responsible for legal compliance, the Czech Republic and Hungary opted for an extended Producer definition including end-users in certain cases. Other differences are to be found in the classification of PV modules as household (B2C) or professional (B2B) waste and in the option to externalize costs for take-back and recycling. Waste classification, in particular, has a significant impact on the actual operational and financial factors associated with WEEE compliance. While B2C waste disposal is pre-financed by the Producer, B2B waste may be subject to billing at cost by either the Producer or the end-user. Italy and the United Kingdom opted for a B2B and B2C classification. As for the United



“Depending on the authorities’ decisions to classify PV modules as B2B or B2C waste, Producers or waste holders pay for waste treatment.”



Kingdom, it may copy the French government’s decision to classify PV modules as B2C waste only and may adopt a reclassification in 2015. Austria, on the other hand, adopted a single B2B classification that would better fit the actual business model of the European PV industry. While the EU Directive is very clear about preventing any additional cost for take-back and recycling at the end of product lifetime, WEEE allows the environmental cost to be externalized in the form of a visible fee. France, as the only PV-relevant country, opted for showing the fee visibly on the invoice for the product, giving the buyer clear proof of conformity.



Proof of conformity has been a main focus of PV CYCLE in 2014. Combating free riders while simplifying the administrative aspects of WEEE compliance, PV CYCLE brought an online registration and declaration platform into operation at the beginning of the year. Known as Extranet and designed to speed up communication between members and PV CYCLE, as well as between PV CYCLE and the WEEE authorities, this provides a high level of traceability of Producers' compliance status.



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2014 MILESTONES

PV CYCLE, which was offering national WEEE compliance services for the very first time, ultimately ceased to operate as a voluntary initiative in 2014. As a result of

3.1 | BUSINESS DEVELOPMENT the new legal environment and to tackle ongoing market

saturation in Europe, PV CYCLE underwent a major business reorientation. In summer 2014, PV CYCLE expanded its exclusive PV module focus to include solar energy system products, incorporating inverters, batteries and other electrical or electronic solar energy system equipment into its system. In so doing, PV CYCLE added an important cornerstone to its one-stop-shop philosophy. As the world's first PV take-back scheme, PV CYCLE also opened its unique waste management knowledge up to other regions of the world and now supplies non-Europe-based companies with relevant waste expertise.



With a view to facilitating administrative compliance, PV CYCLE launched its online declaration and registration platform Extranet in January 2014. In spring, the Dutch branch went into operation, enabling Netherlands-based Producers to meet their WEEE obligations.

3.2 | HIGH-VALUE SERVICES

In June, PV CYCLE and Swiss Producer scheme SENS eRecycling signed a cooperation agreement on the operative and administrative handling of Swiss WEEE compliance. In 2014, PV CYCLE signed up to a joint R&D project in Belgium to optimize performance in PV module recycling. The ReSolar project is funded by the Flemish Government Agency for Innovation through Science and Technology.



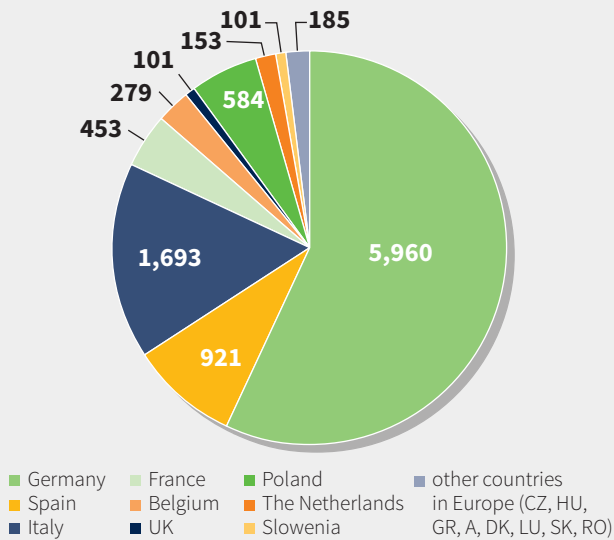
In 2014 we divided our efforts equally between the implementation and execution of WEEE requirements for our members and further expanding our operational

3.3 | OPERATIONAL EXPERTISE

leadership role. In November, the organization hit the target of treating its first 10,000 tonnes of PV waste modules. With 10,430 tonnes from 19 countries, PV CYCLE remained the leading PV module waste operator in 2014. Our scheme's operational excellence also impressed authorities in the United Kingdom. In April, the PV CYCLE Distributor Take-back Scheme received full government accreditation, enabling UK distributors to meet their collection and recycling obligations with a comprehensive support system at reasonable cost.

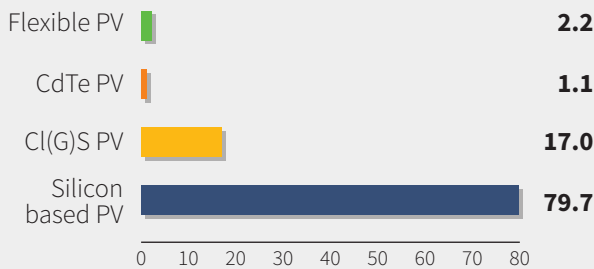
Treated waste tonnes by country

(cumulated figures, 2010-2014)



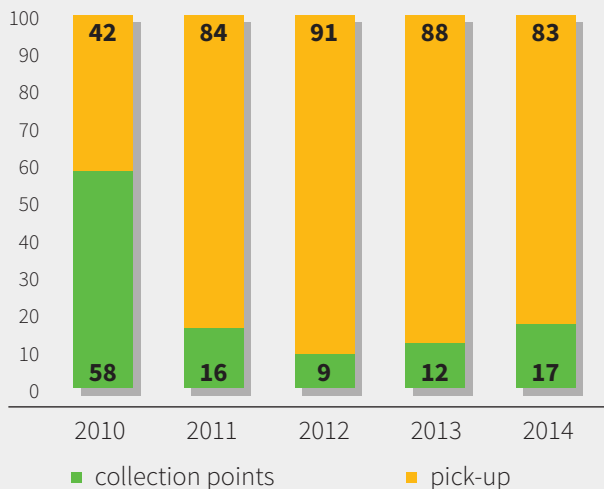
Treated PV technologies

(cumulated figures, 2010-2014, in %)



Take-back – Collection points vs. pick-up

(rounded, in %)



“Having so far collected more than 10,000 tonnes of PV module waste, this is more than all other schemes combined.”



PV CYCLE became the first organization granted approval by the UK authorities to operate as a Distributor Take-back Scheme outside of the municipal infrastructure.

PV CYCLE France SAS – jointly founded by PV CYCLE Association and leading representatives of the French PV market in February 2014 – was the only scheme to receive government-approval to operate its PV waste management system under French WEEE regulations. In its unique role as an accredited WEEE body, PV CYCLE France offers WEEE compliance services to both Producers and distributors.

Adapting our waste management operations to Italian WEEE requirements, PV CYCLE Italia became a member of the WEEE Coordination Centre CDC RAEE in June. As a result, PV CYCLE suspended its own collection points



“The trust we have won from both authorities and industry is the factor which motivates us to push ahead with life cycle management in Europe and abroad.”

in order to incorporate its B2C take-back procedures into the national CDC RAEE network. Household waste owners can now avail themselves of more than 3,500 collection points, making it easier to dispose of modules throughout the country. B2B waste remained eligible for collection through our unique pick-up service. In the Netherlands, meanwhile, all collection requests are now centrally managed by our operations department. Irrespective of the quantities of waste involved, members have to forward their own or their customers’ requests to PV CYCLE Netherlands for it to arrange take-back and recycling. In Belgium, Spain and Germany, PV CYCLE laid down a minimum quantity for the use of our on-site pick-up service. Waste disposal remained unchanged in France and in the United Kingdom.



2014 AT A GLANCE

1. QUARTER

January: The United Kingdom and Bulgaria, the first countries in the EU to do so, adopted WEEE laws covering PV modules for the very first time; PV CYCLE launched Extranet to simplify WEEE administration and communication;

February: Denmark, Sweden, the Netherlands and Luxembourg adopted new WEEE laws; the official 18-month transposition period came to an end; PV CYCLE France SAS was founded;

March: Launch of the PV CYCLE UK Distributor Take-back Scheme; Ireland adopted national WEEE legislation.

2. QUARTER

April: Italy and Croatia adopted PV WEEE laws; the PV CYCLE UK Distributor Take-back Scheme was given government-approval;

May: Greece and Portugal adopted PV WEEE laws;

June: PV CYCLE Italia became a member of CDC RAEE; PV CYCLE and SENS eRecycling signed a cooperation agreement for Switzerland; Malta, Lithuania and Estonia adopted national WEEE legislations.

3. QUARTER

July: PV CYCLE opened WEEE compliance services up to products other than PV modules; Finland adopted national WEEE legislation;

August: Austria, Hungary and France adopted PV WEEE laws.

4. QUARTER

October: The Czech Republic adopted PV WEEE legislation; the UK Environment Agency certified PV CYCLE's Producer Compliance Scheme for effective functioning and set-up; PV CYCLE jointly organized a CU-PV recycling workshop;

November: PV CYCLE passed the 10,000-tonne threshold; PV CYCLE Italia incorporated its B2C collection procedures into the CDC RAEE network;

December: PV CYCLE France won government-approval to provide WEEE compliance and waste management services for PV modules.



4 ASSOCIATION

With three new schemes and WEEE implementation in a series of EU countries, 2014 marked another year of change and success for PV CYCLE. Shifting from a volun-

4.1 | MISSION tary initiative to a pan-European Producer scheme, PV CYCLE also expanded its value proposition, now offering compliance and waste management services for other products under WEEE and Battery Producer Responsibility regulations. Having regard to its founding roots, PV CYCLE continues to put special focus on solar energy systems and, in particular, on PV modules. PV CYCLE, which was founded in 2007 by and for the PV industry, set the benchmark for collective PV waste treatment and is today's clear leader in the sector. In 2014, the organization added three new schemes to its network and now has national representation in Germany, Italy, France, Spain, the Netherlands



and the United Kingdom. In the UK, PV CYCLE operates a Producer Compliance Scheme as well as the Distributor Take-back Scheme it launched in 2014. With a total of 2,099 tonnes in 2014, PV CYCLE continued to collect and treat more PV module waste than any other scheme in Europe. At the same time, PV CYCLE added a large number of collection facilities to its network, thanks, in particular, to its CDC RAEE membership. In 2014, PV CYCLE also collected module waste from Bulgaria for the first time.

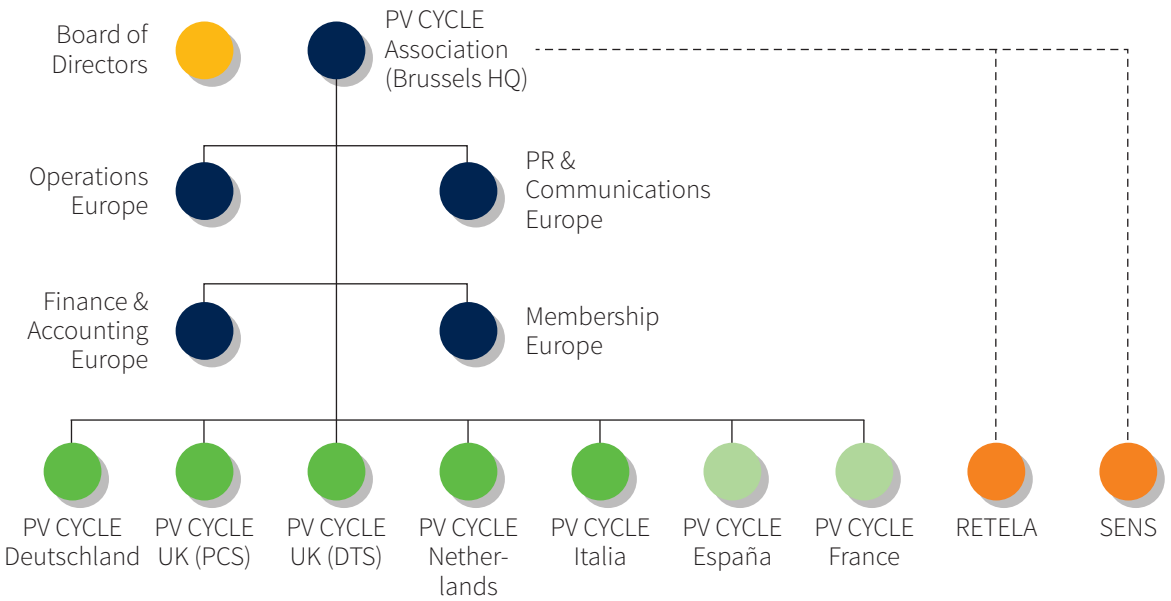
PV CYCLE achieved industry breakthroughs by becoming the only government-approved WEEE scheme in the UK (Distributor Take-back Scheme) and in France.



“Our people reflect the international and dynamic attitude of the PV industry and our members.”

Corporate structure

(Governance and management)



Governance

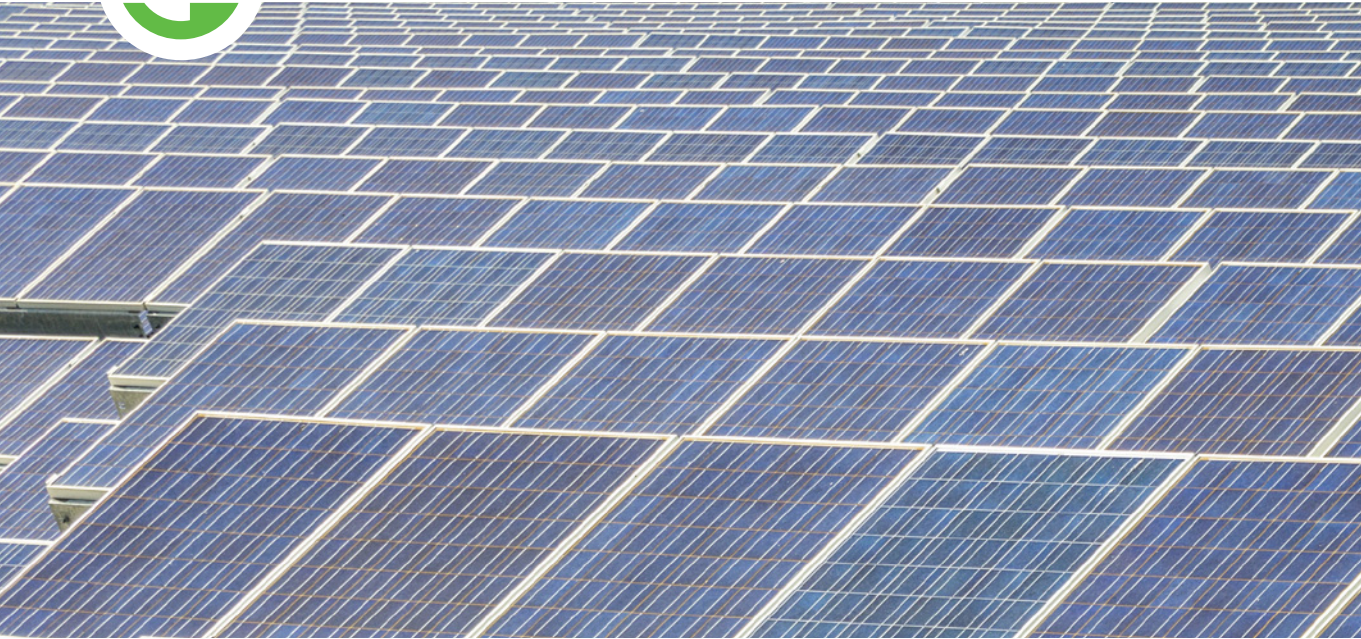
Branches/Co-Shareholder

Cooperations



4.2 | GOVERNANCE

PV CYCLE is governed by a Board of Directors. The Board is composed of representatives elected from among its Full Members for a three-year term. PV CYCLE is today the only PV Producer scheme which gives its members a say in the organization's strategic planning. A new Board was elected in May 2014. PV CYCLE's day-to-day business is managed through the headquarters in Brussels and national staff in France, Italy, the United Kingdom, Germany and Spain. To set up our new branches in the Netherlands and Belgium, a dedicated Country Manager was hired in June 2014. In November, the organization created a Key Account department to provide a better service to multinational companies in their WEEE compliance efforts.



4.3 | SERVICES

To ensure that we meet our members' needs across Europe in the best way possible, PV CYCLE introduced country-specific services in 2014. Our services cover the entire process of waste management and legal compliance for solar energy system products in one country or a group of countries. In addition, PV CYCLE extended its consultancy and lobbying services to other regions of the world, including Asia Pacific and the Americas. In its thought-leadership role, PV CYCLE also contributes actively to research and development and sits on a number of project committees. PV CYCLE and network partners are also represented on the European WEEE Council, at national WEEE coordination centres and in industry associations such as the German BSW or European EPIA. Representing the PV industry to society and the authorities, PV CYCLE

EVENTS

January–December 2014

- **Intersolution**
January 15-17, Belgium
- **SolarSolutions**
April 16-17, The Netherlands
- **Solarexpo**
May 7-9, Italy
- **Intersolar**
June 4-6, Germany
- **PV Recycling & Collection**
June 4, Germany
- **EcoDesign Centre**
June 4, United Kingdom
- **PV Lifecycle Management & Recycling**
September 23, The Netherlands
- **CU-PV Recycling Workshop**
October 9, The Netherlands
- **Ecomondo**
November 5-8, Italy
- **Energaia**
December 10-11, France



also invests in public awareness campaigns and marketing. In 2014, PV CYCLE ran an industry campaign covering advertising and media relations, to inform companies about their potential Producer obligations.



5 FINANCIAL REPORT

2014 BALANCE SHEET

in thousand EUR, rounded

Assets	2014 Consolidated
Fixed assets	362
– Intangible assets	202
– Tangible assets	138
• Property, Plant & Equipment	118
• Furniture & Vehicles	19
• Other tangible assets	–
– Financial assets	22
Current assets	2,203
– Amounts receivable < 1 year	1,035
– Cash at bank & in hand	1,064
– Deferred charges and accrued income	104
Total Assets	2,565



The 2014 financial statements of PV CYCLE aisbl have been audited and approved by Baker Tilly Belgium, PV CYCLE's external auditor.

in thousand EUR, rounded

Liabilities	2014 Consolidated
Capital and Reserves	2,121
Result of the year	-142
Equity	1,980
Minority Interests	-9
Amounts payable	594
- Amounts payable > 1 year	11
- Amounts payable < 1 year	464
- Accrued charges and deferred income	119
Total Liabilities	2,565



The consolidated result consists of a loss of 172,000 EUR, mainly resulting from the delayed entry into force of the German WEEE law. With the outstanding mandatory framework, German Producers were not obligated to financially contribute to compliance in 2014, impacting the P&L of PV CYCLE Deutschland GmbH. In our efforts to ensure sound company financials, PV CYCLE significantly reduced administration costs throughout the year 2014. With less tonnes treated in 2014 than budgeted, operational costs could be reduced too.

2014 P&L <i>in thousand EUR, rounded</i>	2014 Consolidated
Turnover	2,382
- Services and miscellaneous goods	-1,432
Gross operating margin	950
- Remuneration; social security and pensions	-944
- Depreciation intangible and tangible fixed assets	-107
- Amounts written off stocks; contracts in progress and trade debtors	-93
- Provisions for liabilities and charges	-
- Other operating charges	-3
Operating result	-197
- Financial income	62
- Financial charges	-37
Result for the period before taxes	-172
- Income taxes	-
Result for the period	-172
Result 3 rd party shareholders' interests	-31
Result PV CYCLE Group	-142



PV CYCLE Association aisbl

Rue Montoyer 23

1000 Brussels

Belgium

T. +32 2 880 72 50

F. +32 2 880 72 51

E. info@pvcycle.org

www.pvcycle.org