



**REPAK ELT
ANNUAL
REPORT
2018**



GOING THAT EXTRA MILE

Tyre Compliance Scheme



**GOING
THAT
EXTRA
MILE**

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INTRODUCTION

Repak ELT, as your Member-based organisation, is responsible for delivering your waste tyre compliance obligations as set out in the Waste Management (Tyres and Waste Tyres) Regulations 2017. We are pleased to report that in 2018 all approval requirements as set by Government as part of our approval were met and the recycling and recovery targets were surpassed.

The focus throughout the year was very much on growing the membership base, implementing risk control and developing management systems for the collection and recycling of waste tyres and building trust with our key stakeholders to deliver on their behalf.

The following is the summary of our first full year of operations:

- 2,630 Members joined the scheme operating from 2,832 premises across the country.
- Producers placed 3.8 million car tyres on the market during 2018. This exceeds previous stakeholder estimates at planning stage by 1.5m tyres. Based on best estimates and half two 2018 we anticipate tyres placed on the market will exceed 3.9million in 2019.
- Repak ELT membership survey conducted in Q4 2018 gave a rating/score of 7.5 out of 10. Whilst a strong commendation for the scheme, the learnings from the survey are being implemented to enhance communication and training of Members.
- 46 Member audits were carried out in 2018. This will be extended to have all Members audited during 2019 and 2020.
- Repak ELT funded recycling and recovery of 31k tonnes of waste tyres in 2018, the equivalent of 3.8m tyres. There are 25 Repak ELT approved waste Collectors in Ireland who collected, recycled and recovered waste tyres generated by our Members in 2018.
- 22% of tyres were recycled in Ireland, 75% recycled in India, 2% recycled in Vietnam, 1% were reused with the remaining recovered as fossil fuel replacement.
- Overall, 2018 was a successful financial year with membership fee income of €10.6m and a surplus after tax of €1.9m. The outturn for 2018 was positively impacted by revenue arising in relation to Member recruitment and tyres reported placed on the market by Producers to the scheme. A key feature of the financial landscape for 2018 relates to the improvement in the net asset position of the company at 31 December 2018: net assets €1.06m compared to net liabilities of €0.79m in 2017.
- A significant financial milestone was achieved in that we were in a position to transfer €777k to a contingency reserve fund. As a condition of approval from the DCCAE, Repak ELT must build up a contingency reserve fund of €5million by the end of the current period of approval in 2022. The reserve fund is ring-fenced from day-to-day financial requirements and is held in trust by Repak ELT for its Members. The purpose of this fund is to ensure the availability to Repak ELT Members of sufficient resources for the continued delivery of the Scheme in the event of notice to terminate approval by the Department.
- The communications campaigns in the media and radio were very effective in informing both the tyre industry of their obligations and the changes in the Waste Management (Tyres and Waste Tyres) Regulations 2017 and informing the general public of the introduction of the vEMC. Public acceptance of the vEMC was seamless.
- Repak ELT reports quarterly to the Department of Communications, Climate Action and the Environment (DCCAE) and provides our Annual Report to the DCCAE by the 31st May each year. This is an approval requirement of our licence to operate an Extended Producer Responsibility Scheme on behalf of our Members.

INTRODUCTION

- Repak ELT introduced a Quality Management System in 2018 and was awarded the I.S. EN ISO 9001:2015 standard in early 2019. This was a testimony of staff dedication to improving processes, structure and higher operating efficiency. It is now an integral part of the operation of the business.
- Another environmental highlight in 2018 was that no significant waste tyre dumping was reported.

"Repak ELT funded the recycling and recovery of 31k tonnes of waste tyres in 2018, the equivalent of 3.8m tyres."

The Board of Repak ELT recognises that 2019 will be another year of challenges. It will be important that we firstly build upon the success and lessons learned to date in expanding the scheme to include all categories of tyres (i.e. truck tyres, agricultural and industrial tyres). We will also embrace the principles of Circular Economy Package in seeking to support recycling and recovery of waste tyres in Ireland and Europe and de-risking our reliance on non-European recycling facilities. Repak ELT as your Member based organisation is well placed to face the challenges ahead and throughout 2019 and 2020 we will be communicating with you on all aspects of these major legislative changes.

Working with our stakeholders is an integral part of our success. In particular we wish to thank the Department of Communication, Climate Action and Environment for coordinating the enforcement initiative which has assisted greatly in the Membership growth in 2018. Also to the Waste Enforcement Lead Authorities (WERLA's) working with Local Authorities and the Trans Frontier Shipment office (TFSO), your dedication is greatly appreciated.

We also recognise the very important role our 25 Recovery Operators who collect waste tyres from 2,832 authorised Member premises. Without your expertise and commitment to the collection and recycling of our Members' waste tyres, Repak ELT would not be in a position to deliver a successful scheme.

Finally we wish to thank the Board, and the sub committees of the Board for their dedication and support in 2018. To the staff of Repak ELT, whose contribution in delivering on behalf of all stakeholders but particularly for our Members, our sincere thanks.

For you, our Members, we will continually strive to do our utmost to manage the scheme in the most cost effective manner in delivering your waste tyre compliance.

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

Tony Keohane.
Chairman.

Séamus Clancy
Chief Executive Officer

BOARD MEMBERS

2018 - 2019



Tony Keohane

Chairman



Séamus Clancy

CEO



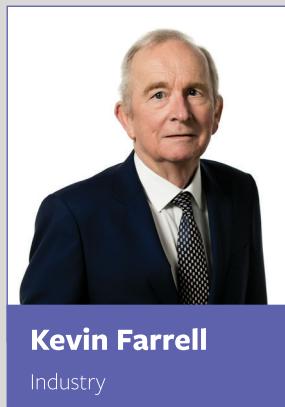
Feargal Brennan

Independent



Des Collins

Industry



Kevin Farrell

Industry



David Kelly

Independent



Michael Layde

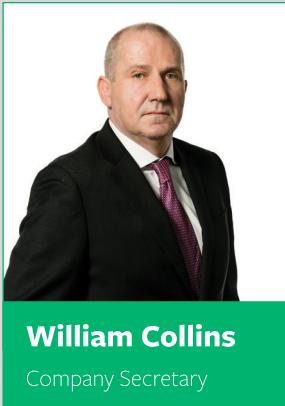
Independent



Flavio Piovesan

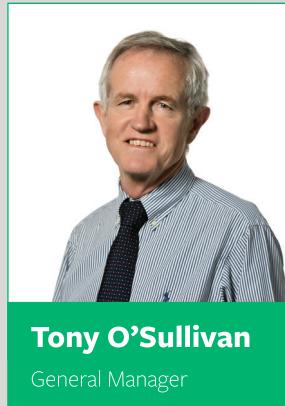
Industry

REPAK ELT



William Collins

Company Secretary



Tony O'Sullivan

General Manager

GOVERNANCE

Corporate Structure

On 17th July 2015 Repak ELT was formed as a single-Member Company Limited by Guarantee. The initial constitution was adopted in order to establish a legal entity to establish and operate a Producer responsibility compliance scheme to comply with the legal obligations imposed on Producers by S.I. no. 400 of 2017 Waste Management(Tyres and Waste Tyres) Regulations including any modification, consolidation or re-enactment thereof or instruments or orders made pursuant thereto.

Approval

Repak ELT was approved to act as a “Tyres and Waste Tyres Compliance Scheme” under the Waste Management (Tyres and Waste Tyres) Regulations, 2017 on 1st October 2017 until 31st December 2022. As part of that approval, Repak ELT adheres to the highest standards of Corporate Governance ensuring accountability, fairness and transparency in Repak ELT’s relationships with all its stakeholders.

Corporate Governance Framework

The primary corporate governance instruments adopted by Repak ELT are: the approval from the Department of Communications, Climate Action and Environment and the Terms of Reference for the Committees of the Board.

While recognising the importance of these formal instruments, good corporate governance requires a commitment to, and the practice of, values that guide the company in serving the needs of all its stakeholders. The directors, officers and employees of the company commit to these values.

The Board of Directors have adopted the following policy objectives in relation to its Corporate Governance Responsibilities:

- Repak ELT is committed to ensuring the effective operation of the Board and its committees in conformity with the highest standards of corporate governance.
- The Board will periodically review and evaluate Board procedures to ensure that it is primarily focused on strategy, performance and accountability.
- The Board will adopt the provisions of an agreed Code of Corporate Governance applicable to compliance schemes.

The following individuals acted as officers of the company during the year ending 31st December 2018:

Directors

Mr Tony Keohane, (Chairman)
 Mr Feargal Brennan, Independent
 Mr Séamus Clancy, Chief Executive Officer
 Mr Kevin Farrell, Tyre Retailer
 Mr David Kelly, Independent
 Mr Michael Layde, Independent

On 28th February 2019, the following individuals were appointed to the Board of Directors

Mr Des Collins, Tyre Manufacturer
 Mr Flavio Piovesan, Tyre Manufacturer

Company Secretary

Mr William Collins, Financial Controller

General Manager

Mr Tony O’Sullivan

Board Meeting Attendance 2018

	22nd Feb	24th May	28th Aug	22nd Nov
Mr Tony Keohane	✓	✓	✓	✓
Mr Feargal Brennan	✓	✓	✓	✓
Mr Séamus Clancy	✓	✓	✓	✓
Mr Kevin Farrell	✓	✓	✓	✓
Mr David Kelly	✓	✓	✓	✓
Mr Michael Layde	✓	✓	✓	✓

GOVERNANCE

Board Committees

Audit Committee

Members: Mr David Kelly (Chair), Mr Des Collins, Mr Séamus Clancy.

The Committee reviews financial performance and reporting processes in the company. It also meets with our statutory auditors and tax advisors PwC.

Nominations Committee

Members: Mr Tony Keohane (Chair), Mr Michael Layde, Mr Séamus Clancy.

The Committee is responsible for identifying and nominating candidates to fill board vacancies as and when they arise for the approval of the Board.

Fees and Funding Committee

Members: Mr Michael Layde (Chair), Mr Séamus Clancy, Mr William Collins, Mr Flavio Piovesan.

The Committee makes recommendations to the Board regarding the level of funding to be paid in relation to waste tyres recovered by Approved Recovery Operators and the level of the annual membership fee to be paid by Repak ELT Members.

Remuneration Committee

Members: Mr Tony Keohane (Chair), Mr Feargal Brennan, Mr Michael Layde.

The Committee determines and agrees with the Board the framework and broad policy for the remuneration of the Chief Executive, Chairman, Directors, senior management and employees. The Committee is also responsible for benchmarking and reviewing the ongoing appropriateness and relevance of the remuneration policy and company pension scheme.

Finance

We are pleased with the overall financial performance in terms of operating surplus, revenue growth and cost control. The outturn for 2018 was positively impacted by revenue arising in relation to Member recruitment and tyres reported to the scheme. A key feature of the financial landscape for 2018 relates to the improvement in the net asset position of the company at 31 December 2018: net assets €1.06m compared to net liabilities of €0.79m in 2017.

A significant financial milestone was achieved in that we were in a position to transfer €777k to a contingency reserve fund. As a condition of approval, Repak ELT must build up a contingency reserve fund of €5million by the end of the current period of approval in 2022. The reserve fund is ring-fenced from day-to-day financial requirements and is held in trust by Repak ELT for its Members. The purpose of this fund is to ensure the availability to Repak ELT Members of sufficient resources for the continued delivery of the Scheme in the event of notice to terminate approval by the Department.

FINANCE HIGHLIGHTS 2018

- Membership Fee Income of €10.6m.
- Direct Recycling and Recovery costs of €6.5m, 31k tonnes or 3.8 million tyres funded.
- Surplus after tax of €1.9m, of which €777k was transferred to a contingency reserve fund.
- Contingency Reserve Fund of €777k (required to achieve €5m by 2022 under terms of approval).
- Balance sheet total net assets of €1.06m (2017: net liabilities of €0.79m)

Revenue

Membership fees of €10.6m (2017: €1.8m), driven by 3.8 million tyres reported to the scheme as being placed on the Irish market in 2018. This equates to approximately 31k tonnes of tyres.

Direct Recovery and Recycling Expenditure

Total expenditure for 2018 amounted to €6.5m (2017: €976K), with Repak ELT funding the recovery and recycling of 31k tonnes of our Member's waste tyres during the course of the year.

Administration Expenses

Administration expenses amounted to €2.1m (2017: €1m). Included in this figure is wages and salaries of €757k and a marketing and communications spend of €147k.

The focus of the marketing and communications spend was targeting new Members and highlighting the importance of using Repak ELT Members when purchasing new car tyres.

In 2018 Repak ELT was charged by Repak Limited an amount of €661k based on a Service Level Agreement.

GOVERNANCE

Profit and loss account for the year ended December 31st 2018

	2018	2017
	€	€
Membership fee income	10,600,683	1,765,816
Direct recovery and recycling costs	<6,517,767>	<976,106>
Gross Profit	4,082,916	789,710
Administrative expenses	<2,074,749>	<1,037,228>
Operating surplus/<deficit> on ordinary activities before taxation	2,008,167	<247,518>
Tax on surplus on ordinary activities	<152,049>	-
Surplus/<Deficit> for the financial year	1,856,118	<247,518>

Balance sheet as at 31st December 2018

	2018	2019
	€	€
Fixed Assets		
Tangible assets	1,710	-
Current assets		
Debtors	3,226,093	1,510,228
Cash at bank and in hand	110,721	262,213
	3,336,814	1,772,441
Creditors: amounts falling due within one year	<2,274,183>	<2,564,218>
Net current assets/<liabilities>	1,062,631	<791,777>
Net assets/<liabilities>	1,064,341	<791,777>
Capital and reserves		
Profit and loss account	287,372	<791,777>
Contingency reserve fund	776,969	-
Total equity	1,064,341	<791,777>

GOVERNANCE

Debtors

Incorporated in the debtors figure is €3.2m for trade debtors and €857k for tyres placed on the market in 2018 and invoiced in 2019.

Creditors

The creditor's amount of €2.3m include trade creditors of €402k, accruals for €1.3m and a bank overdraft of €158k.

Capital & Reserves

The capital and reserves figure of €1.06 million comprises a contingency reserve fund of €777k and the profit and loss account of €287k after offsetting losses coming forward of €792k.

The transfer to the contingency reserve fund is based on the agreed proportion of the vEMC (visible Environmental Management Charge) being used for this purpose.

Information Systems & Security

Repak ELT operates an Agile Software Development Methodology which enables the scheme to react quickly to changes in reporting requirements and also compliance assistance. Multi-departmental interaction and communication through a purpose built Enterprise reporting platform system focuses on the clear delivery of goals through data analysis and reconciliation both at a macro and micro level.

The scheme deploys a vulnerability management solution called Secure Web Application Tactics (SWAT) from Outpost 24. This application continuously monitors our web applications for both Retailers and Collectors, offering testing ranging from highly automated to in-depth manual penetration testing searching for technical flaws. Business logic within the applications are also tested.

These provisions allow Repak ELT to assure the security and protection of all data held on our systems. Recent certification for ISO 9001:2015 further reinforces the robustness of our processes and structures in place to manage our Members and Contractor's data.

MEMBERSHIP

Member Survey

Repak ELT conducted a membership survey at the end of 2018 to review and reflect on the first year of the new scheme operating under the Waste Management (Tyres and Waste Tyres) Regulations 2017.

The survey was distributed to all Repak ELT Members for their feedback and a €2 donation to Barretstown Children's Charity was offered as an incentive for Members to respond. This resulted in 280 responses to the survey and the associated feedback has identified many things we are doing right, as well as other areas where we can enhance our Member services in the operation of the tyre scheme. Some of the survey findings include:

- When asked to rate Repak ELT, Members responded with a score of 75/10, or 75% satisfied with the scheme.
- Over 21% of respondents declared themselves as Producers. Unfortunately, 37% of those respondents had not yet registered with the PRL.
- There was overwhelming satisfaction (97%) from Members regarding the amount of email communication which they receive from Repak ELT.

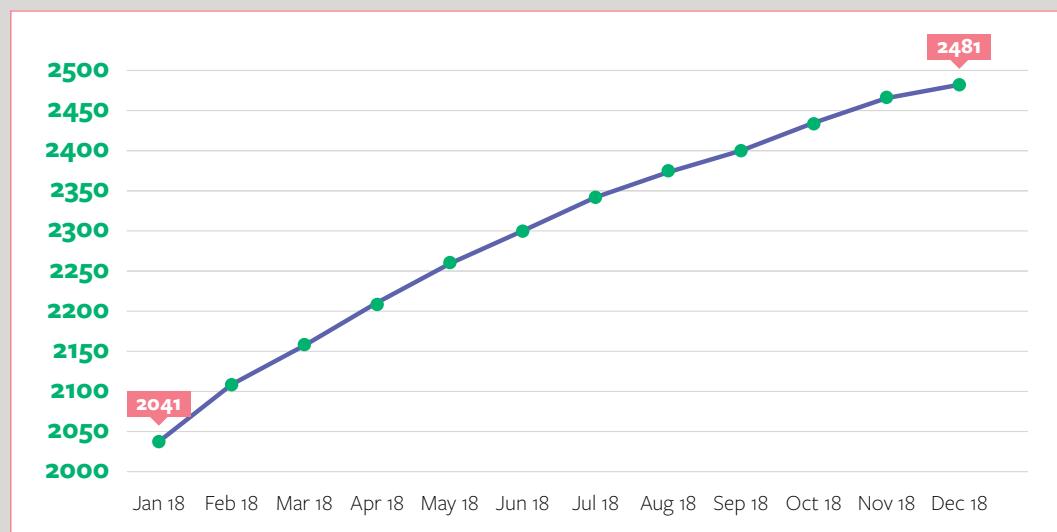
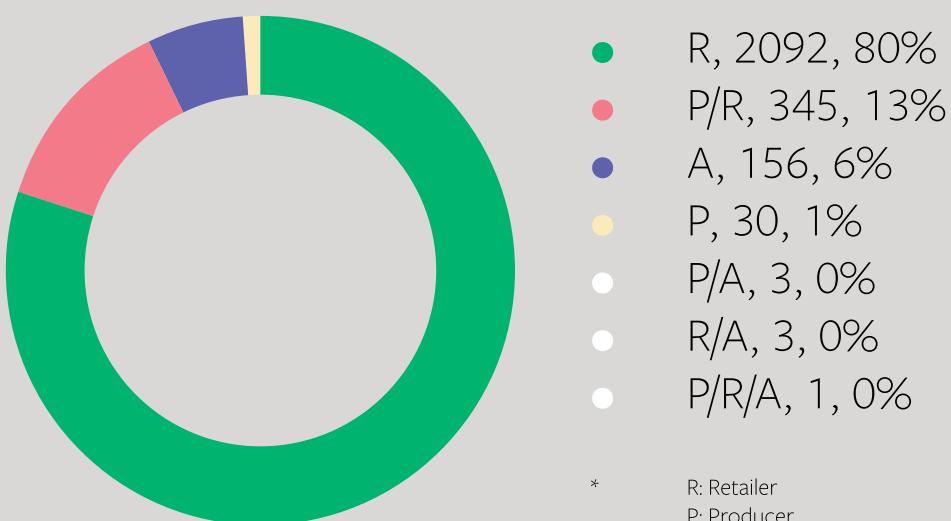
- 93% of Members have their certs on display in their premises.
- 27% of Members still do not display the vEMC as a separate line item. This is a requirement for compliance and we will work with Members and enforcement authorities to remedy this.
- Over three quarters (77%) of Members only fit tyres which they sell to the customer. 23% of Members fit tyres bought online by customers, 98% of these charge the vEMC on tyres taken into their outlet for fitting.
- There was interest from Members in receiving extra training for reporting. Training is always available to Members and we will continue to offer this via our quarterly newsletters.
- A large number of respondents were not aware of the process for confidential reporting of 'free riders' to Repak ELT. This is an area where we will work to raise awareness.
- Radio & TV ads and Social Media were the preferred vehicles for raising awareness about the scheme to the general public.

This survey proved a valuable insight into the new scheme and Repak ELT have since addressed any matters where Member feedback was required. Indeed, Repak ELT have had over 12,500 recorded direct contacts with Members in 2018.



MEMBERSHIP

**440 Members joined
Repak ELT during 2018.**

**Repak ELT Members by category**

*

R: Retailer
 P: Producer
 P/R: Producer/Retailer
 A: ATF
 P/A: Producer/ATF
 R/A: Retailer/ATF
 P/R/A: Producer/Retailer/ATF

MEMBERSHIP

Reporting

Accurate and timely reporting is vital for all tyre categories to provide a full profile of all waste generated by the tyre industry and to ensure these waste tyres are managed to the end of life in an environmentally sound manner.

Therefore, compliance assistance is a priority for the membership team, with a steady improvement in monthly reporting rates across 2018 having been noted. Furthermore, structures have been put in place to provide Members with the assistance they need to complete their timely reporting including:

1. 4-5 reporting reminder emails per month (depending on length of month).
2. Guidance Documents for reporting.
3. Online video to assist with Member reporting.
4. Proactive contact by Membership Team with all new Members to assist with their reporting.
5. The Repak ELT team made over 12,500 direct contacts with Members in 2018

As a result, Member monthly reporting compliance for 2018 has reached 91.6% with 27,466 reporting records submitted across 2018 (Average of 2,289 reports per month x 12 months).

By any measure this is a strong first full year of reporting to the scheme. Reporting of tyres on the Irish market is essential to have transparency, traceability and fairness for all compliant operators. For those Members who consistently do not meet their reporting obligations Repak ELT temporarily suspend collections and, as a last resort, consider membership revocation.

1. Suspension of Collections - Members with overdue reporting are not permitted to have their waste tyres collected until they have brought their reporting up to date. 616 Members had their collections suspended temporarily in 2018.
2. Revocation process - If Members remain non-compliant after the suspension of collection (SOC) process they are given a further 30 day notice to comply before they are revoked from Repak ELT Membership. 143 Members were revoked in 2018, of these 72 businesses had ceased trading and 16 no longer sold tyres. The balance were revoked for non-compliance with the tyre Regulations and /or scheme rules.

Reporting of non vEMC categories:

There is significant under-reporting of non-vEMC category tyres (Truck/Bus, Agri, Construction and Industrial). The reporting of these categories will need to be increased to more accurately reflect the market. This will be monitored in 2019.

Member Audits

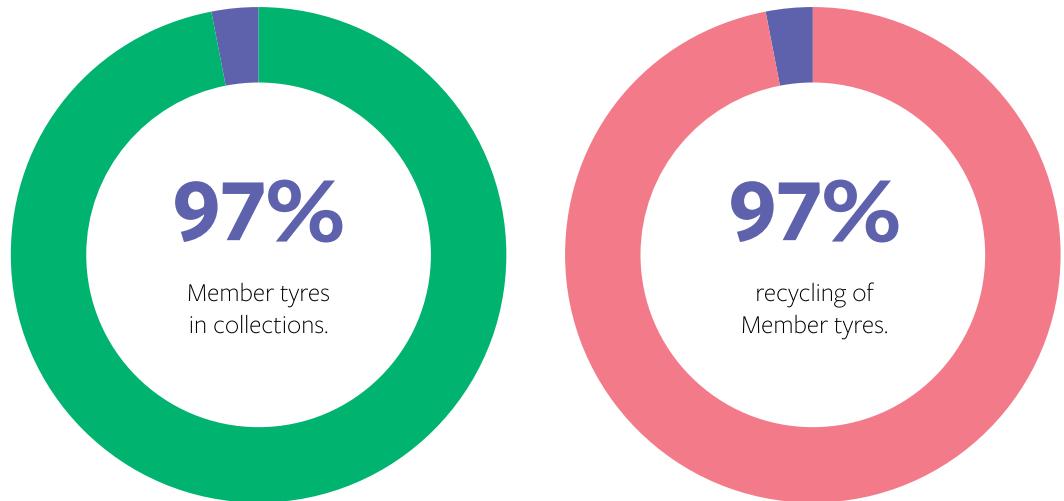
The purpose of the audits is to ensure Members are not under- or- over reporting and to guarantee clarity, traceability and fairness throughout the scheme. Each scheme Member will be audited by the end of April 2020. The process is interactive and Members are supported throughout the process in dealing with any areas requiring action as a result of the audit.

In each case the Member is contacted by the auditor in advance and a suitable date and time arranged for the audit. If non-conformances with the tyre regulations are identified during the audit, these are communicated to the Member by the auditor and a close out period of two weeks after the audit date is given during which the Member has the opportunity to address these non-conformances. The emphasis in the audits is to encourage and support Members in achieving compliance with the scheme.

46 audits were completed in 2018. 43 audits were completed with a clean sheet, two major and one minor fault were reported.

Status	Number
Fail Major/Audit Open	2
Fail Minor/Audit Open	1
Pass	43
Total 2018 Audits	46

RECYCLING AND RECOVERY 2018



***31K tonnes of tyres
funded by ELT Members
have been collected
through the scheme.***

Over the course of its first year in operation Repak ELT, through its Collection network has collected and funded the recycling and recovery of over 3.8m passenger car tyres equating to 31K tonnes.

A key financial risk for the scheme was over collection of non-scheme tyres, which was successfully avoided. It remains an on-going challenge and will be monitored closely by management and the Board to circumvent lessons learned by comparable schemes across Europe.

The collection process commenced in tandem with the introduction of the vEMC (visible Environmental Management Cost). The potential flow of historic waste tyres (i.e waste tyres in the system prior to launch) posed a further complication and was closely scrutinised. The application of vEMC to tyre categories has been on a phased basis with the vEMC charges only applicable to passenger car/van/4x4 and motorcycle/scooter tyres in 2018. Other categories of tyres such as Truck/Bus, Agricultural and Construction were not included, which requires the Retailer to pay the Collector for the disposal of these tyres currently. This necessitates extra administration

for the Collector who has to operate a dual collection system to facilitate charging for non-vEMC category tyres and free collection to the Retailer for vEMC paid tyres.

Data reconciliation was challenging and significant effort was required to validate reporting between scheme Collectors and scheme Members so not as to include other tyre categories in the figures to be funded.

Through market intelligence and sound reporting controls managed through our online reporting portal, Repak ELT delivered a collection rate of 97% of its Member's tyres.

Another challenge at start-up was the lack of recycling or recovery facilities in the Rep of Ireland, hence tyres were exported to foreign markets and this has been the predominant trend since - although 22% of waste tyres are now being collected and recycled in Ireland. Application of the proximity principle in supporting indigenous solutions in Ireland will be a goal in the coming years for the scheme.

RECYCLING AND RECOVERY 2018

Overall 31K tonnes of waste passenger car and motorcycle tyres were collected and funded through Repak ELT in 2018.

In light of the fact that 76% of waste tyres were exported for treatment, Repak ELT undertook successful audits of sites in India to verify outlets and to ensure sound environmental outcomes for the waste tyres exported from Ireland. It also provided intelligence on world markets, brokers and recyclers.

Enforcement is a key element in the success of any Producer responsibility scheme and Repak ELT has developed key relationships with the TFS (Transfrontier Shipping Office) in Dublin City Council and with the WERLA's (Waste Enforcement Regional Lead Authorities), along with the NWCPO (National Waste Collection Permit Office). The compliance assistance provided by these agencies has made a major contribution to the success of the scheme.

Overall 31K tonnes of waste passenger car and motorcycle tyres were collected and funded through Repak ELT in 2018.

To put that into context, the last published report from the EPA in 2014 accounted for 28k tonnes across all categories of tyres.

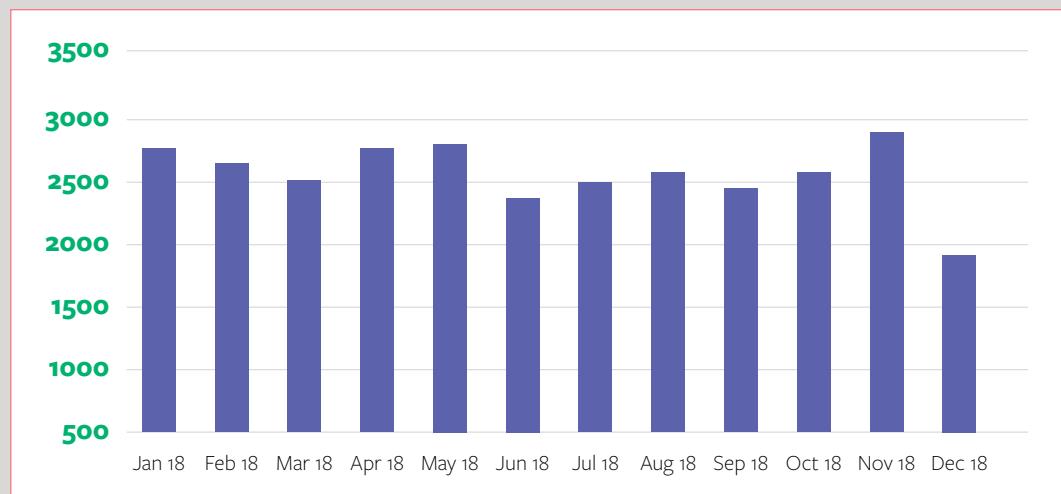
Although significant progress has been made over the year further, challenges await with the introduction of other tyre categories, the continuous search for end markets and the constant effort to cleanse and reconcile data.

Key Metrics 2018

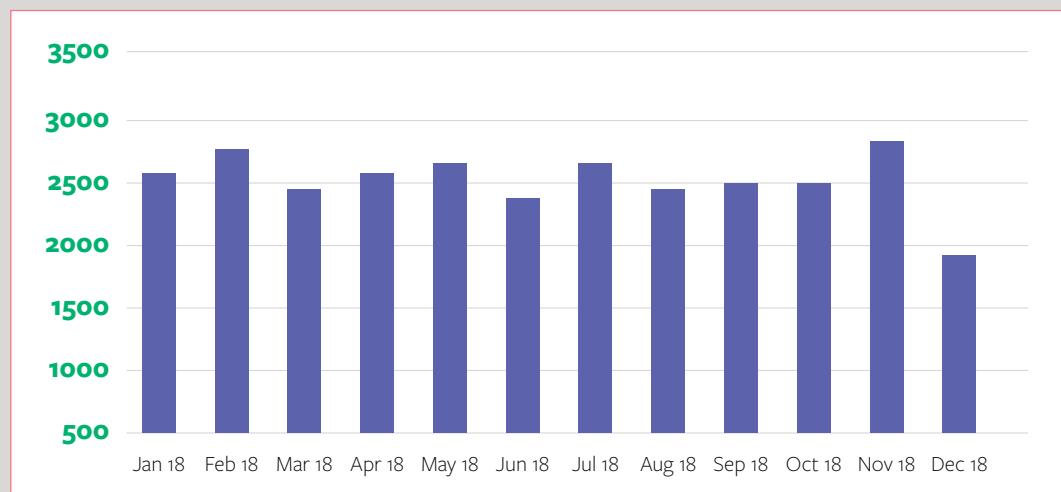
- 31k tonnes recovered & recycling (this is the equivalent of 3.8m car tyres)
- 97% of Waste Tyres were Recycled
- 3% of Waste Tyres went to Recovery
- 76% of the tyres were recycled outside the EU, namely in India & Vietnam.
- 22% was recycled in Ireland, with 1% going for reuse.
- Presently we have 25 registered Collectors with 19 active and invoicing on a regular basis, 24 Recycling and Recovery Facilities have been used over the course of 2018

RECYCLING AND RECOVERY 2018

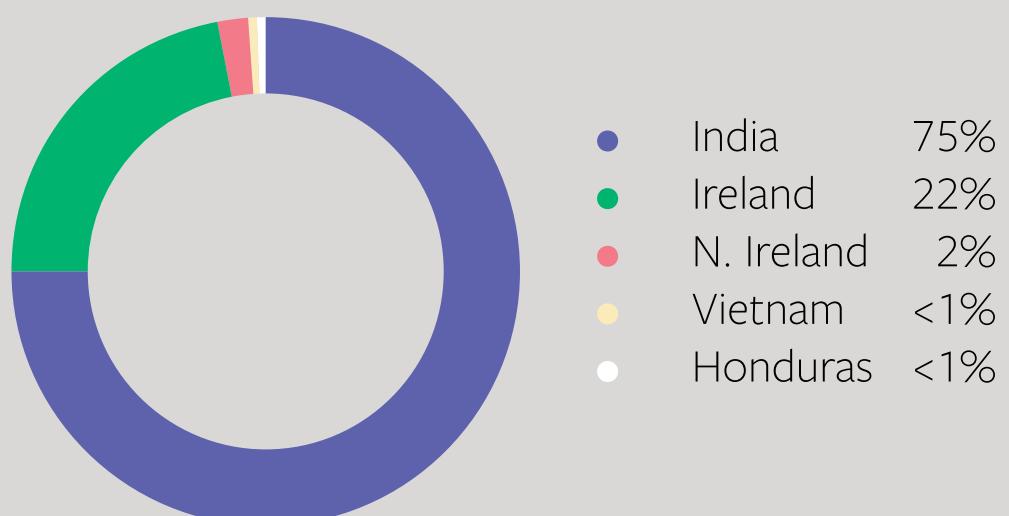
Tonnes Collected



Tonnes Processed



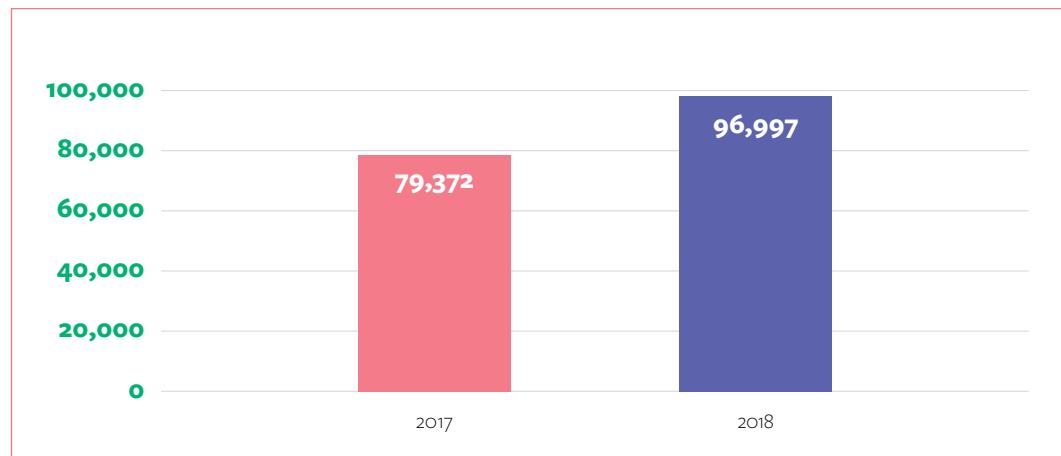
2018 end market destinations



RECYCLING AND RECOVERY 2018

From July 1st 2018, Repak ELT requested Certificates of Destruction (COD's) for tyres that were taken from End of Life Vehicles (ELV's) in Authorised Treatment facilities (ATF's). This resulted in a 22% increase in COD generation which is hugely beneficial both for Repak ELT and the National Vehicle Database File (NVDF).

Certificates of Destruction for End of Life Vehicles



Key Challenges for 2019

Truck/Bus - Agricultural and Construction Tyres

Bringing Truck/Bus, Agricultural and Construction tyres into the scheme for 2019 will be hugely challenging. Repak ELT will work with collection companies to develop strategies to improve the collection infrastructure to handle these larger, heavier tyres.

Sustainable Markets - Circular Economy - Proximity Principle

Repak ELT will face challenges in creating new long term sustainable markets in Ireland and the EU for recycling and recovery of waste tyres in Ireland is a challenge that will require all stakeholder participation which Repak ELT will take the lead in supporting proximity principle solutions.

Encouraging indigenous investment and finding permanent long term sustainable uses for waste tyres in Ireland is a challenge that will require all stakeholder participation which Repak ELT will take the lead in supporting proximity principle solutions.

End of Waste Criteria

The achievement of End of Waste Criteria (EoW) for crumb rubber which will enable Producers to trade their materials as products rather than waste will be hugely advantageous when it comes to increasing indigenous investment in the sector.

ENFORCEMENT



Department of Communications, Climate Action and Environment (DCCAE)

Government department responsible for the tyre Regulations and the terms of approval for the operation of the tyre scheme including the level of vEMC for each tyre category.

Waste Enforcement Regional Lead Authorities (WERLA)

Southern WERLA

Eastern and Midland WERLA

Connacht/Ulster WERLA

Responsible for Retailer compliance.

Environmental Protection Agency (EPA)

Responsible for Producer compliance

Producer Register Limited is responsible for all Producer data submitted to the scheme.

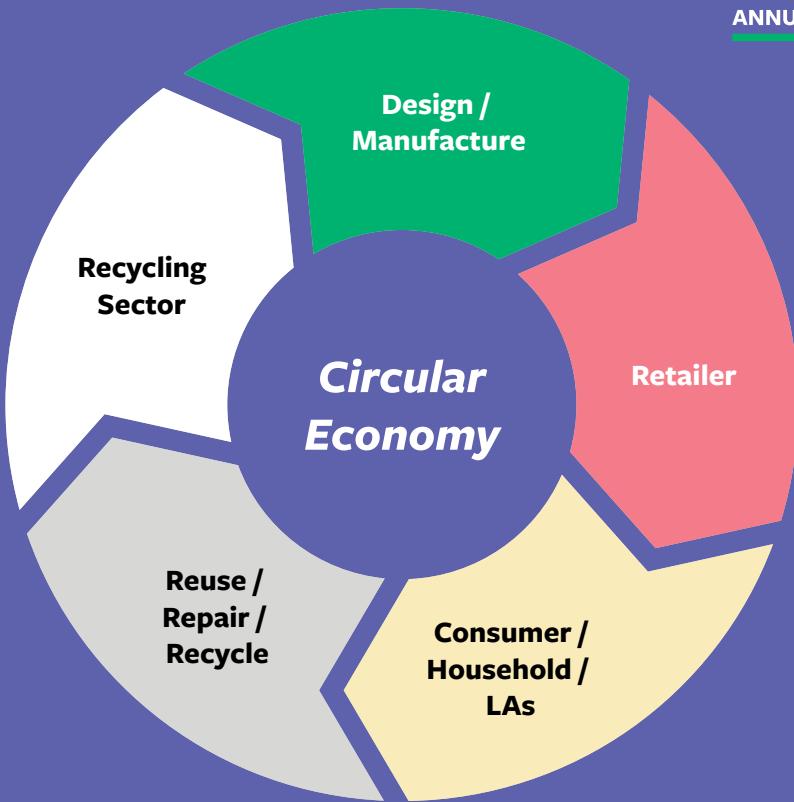
The enforcement of the Tyre Regulations is two-fold and is operated on a collaborative basis across all enforcement agencies. The Department of Communications, Climate Action and Environment (DCCAE) through the Local Authorities is responsible for Retailer compliance and this is coordinated by the Waste Enforcement Regional Lead Authorities (WERLA). The Environmental Protection Agency (EPA) is responsible for Producer compliance.

Tyres were a national priority waste stream for 2018 and we are pleased to announce this continues for 2019. The impact of this focus nationally was seen on the ground with enforcement agents visiting tyre operators in all regions. The high numbers of Members registered and the ever decreasing number of unregistered tyre businesses reflects the fact that enforcement activities are making progress.

- Repak ELT works on a daily basis with the enforcement agencies in a synergistic approach to managing end of life tyres.
- Free riders in the market identified both from our own research and through our confidential reporting system on our website, are strictly monitored and vigorously followed up.
- We continue to see new Members registering each week and we support these operators in bringing their reporting compliance up to date, which includes back reporting from the start of the scheme in October 2017.

While Repak ELT does not have an enforcement role, we do support the agencies tasked with overseeing compliance in the tyre industry. Our initiative to audit all Members, along with our daily updating of the unregistered list are key activities Repak ELT completes to further support the enforcement initiatives on the ground.

ENVIRONMENTAL POLICY DEVELOPMENT



Repak ELT Supports the Concept of a Circular Economy

In the past few years there has been a significant amount of policy change at EU level regarding sustainability, better use of resources and the management of waste. The key driver for this change is the Circular Economy Package (CEP) which was published in 2015 with the aim of encouraging businesses and consumers to make the transition to a stronger and more circular economy, where resources are used in a more sustainable way.

The old linear economy is about taking resources, making products, using them and then disposing of them at end of life. The circular economy is about extracting the maximum value from resources and making products that can be reused or recycled at the end of life, thereby minimising waste.

First Vice-President of the EU Frans Timmermans, in launching the CEP is quoted as saying; "Our planet and our economy cannot survive if we continue with the 'take, make, use and throw away' approach. We need to retain precious resources and fully exploit all the economic value within them. The circular economy is about reducing waste and protecting the environment, but it is also about a profound transformation of the way our entire economy works. By rethinking the way we produce, work and buy we can generate new opportunities and create new jobs."

The revised legislative proposals on waste is one of the key elements of the CEP. Unlike other waste streams such as packaging, WEEE or end of life vehicles, there is no EU Directive specifically relating to end of life tyres. The

two Directives which have been central to the development of waste management policies for end of life tyres across the EU are the Landfill Directive (1999/31/EC), which banned the landfill of tyres and the Waste Framework Directive (2008/98/EC). The Waste Framework Directive set out the basic principles, concepts and definitions regarding the management of waste. It is the overarching Directive which covers the "polluter pays principle" and the "waste hierarchy" etc. The goal or aim of the Directive is to minimise the environmental impact of waste and to increase resource efficiency through recycling, reuse and recovery.

Repak ELT will embrace on behalf of our Members, the renewed focus on the Extended Producer Responsibility (EPR) requirements as set out in the revised Waste Framework Directive. It should lead to improved accountability, enforcement, implementation and performance of all stakeholders across the board. In any EPR scheme, transparency and accurate reporting is essential to create a level playing field and to deliver success. In this regard Repak ELT is looking forward to greater clarity later in 2019, when the EU publishes further guidelines on the EPR requirements.

In the interim, Repak ELT will continue to remain abreast of ongoing legislative developments in EU policy and remains committed to embracing the new EPR requirements and to promoting environmental and economically sound solutions for the management of end of life tyres, to include the promotion of long-term, viable markets for same.

COMMUNICATION AND PUBLIC AWARENESS

Awareness and Education are key components of our scheme operations. Our activities in 2018 included national radio and poster campaigns, trade adverts, social media, Member newsletters and outdoor events.

The impact of our communication campaigns can be seen in increases in membership, traffic to our social media platform and website.

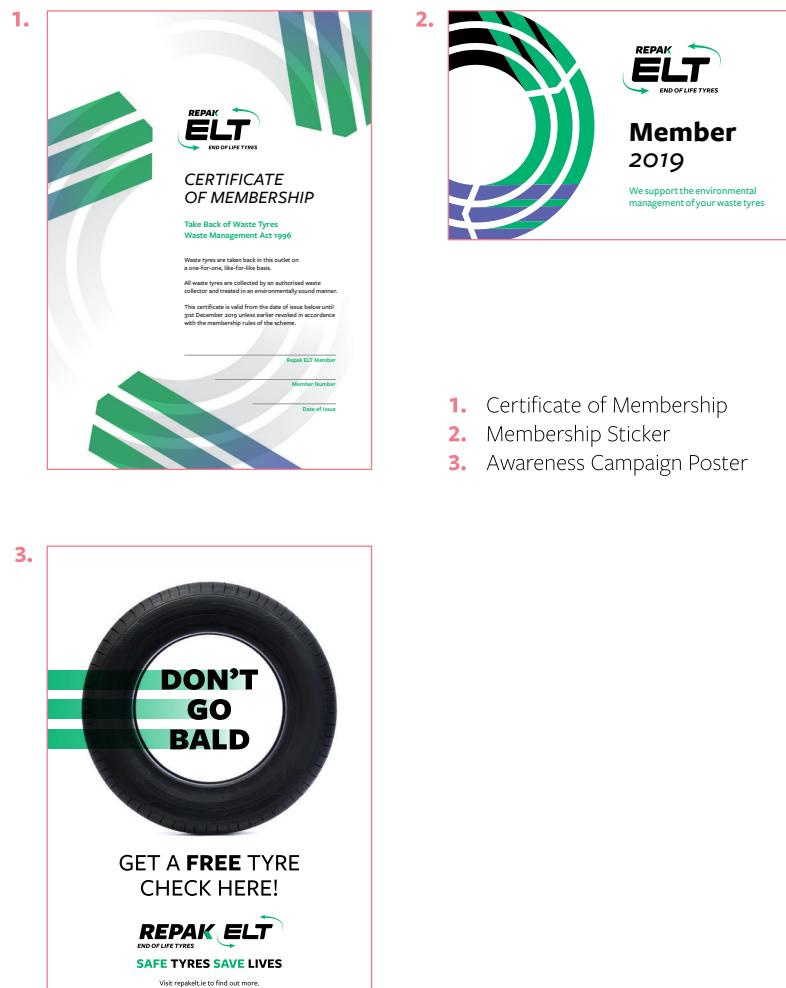
Key objective of our public relations:

1. To promote benefits of participation in the scheme for individuals, industry, the environment and the community.
2. To promote our Member network of environmentally sound tyre operators to the motoring public.

Members are our focus and above all, our efforts are to support our Members in their business and the environmental management of their end of life tyres. Compliance assistance is central to this approach. We deliver enhanced benefits for Membership through constantly updating and optimising our processes for managing our Member's compliance obligations.

Day to day communication with enforcement officials has facilitated clarity and context for the scheme operation and supported a reduction in the number of unregistered operators to a significantly low number. We will continue to invest time and efforts in this process until all unregistered operators have been brought into compliance.

The Repak ELT team promoted tyre safety, recording the tyre check data taken by our Member fitters at Hell and Back and the National Ploughing Championships. We checked 882 tyres between the three events. The results from the safety checks were reported to the Road Safety Authority and will form a model for future Member events.



COMMUNICATION AND PUBLIC AWARENESS

**Radio:
4.6 million
listeners
reached with
our radio
campaigns
in 2018**

**12,500+
direct Member
contacts -
Phone, email,
mail and
one-to-one
meetings.**

Member focus

Repak ELT's communication approach is completely Member focused which reflects our quality policy. The team recorded over 12,500 direct contacts with Members in 2018 which included communication through mail, email and phone. Feedback from Members on both our direct communications and national campaigns was positive.

Repak ELT has implemented a Quality Management System which is Member focused and is built on a continual improvement model. This allows for effective and efficient communications both internally among our team and externally to our Members, stakeholders and the wider community.

Communication

Promoting compliance with the Tyre Regulations in our B2B and B2C communication allows us to keep the support of compliant operators central to our dissemination of information about the work the scheme does in managing end of life tyres through their life cycle to where they are recovered and recycled.

- Our B2B communication is directly to our Members.
- Our B2C communications promote our Members' involvement with Repak ELT in tandem with the benefits the scheme brings to the industry, environment and our communities.



Pakman

Repak ELT marked a year of operation by introducing the inaugural Tyre Champion category to this year's Pakman Awards, powered by Repak. Ballinasloe Tyres were this year's winners in a highly contested category. The team at Ballinasloe Tyres were rewarded for their excellent tyre waste disposal practices and for demonstrating a close working partnership with Repak ELT to ensure that their waste disposal was fully compliant with tyre regulations.

Speaking on the awards Tony O'Sullivan, General Manager of Repak ELT said 'I would like to extend my congratulations to Ballinasloe Tyres, winner of the first ever Tyre Champion award at the 2018 Pakman Awards and to all those shortlisted in the inaugural year of the category. Ballinasloe Tyres have demonstrated excellent tyre waste disposal behaviour and have set a standard for us all to follow.'

We were delighted to introduce the Tyre Champion category to the Pakman Awards programme, just a year after first launching Repak ELT. I am proud of how much the scheme has achieved in such a short timeframe and I look forward to working with all stakeholders to do even more in the future'.



GLOSSARY / ACRONYMS

ATF: Authorised treatment facility for end of life vehicles

Circular economy: Where the value of products, materials and resources is maintained in the economy for as long as possible, and the generation of waste minimised. It is an essential contribution to the EU's efforts to develop a sustainable, low carbon, resource efficient and competitive economy.¹

COD: Certificate of destruction

Collector: Contracted Repak ELT Collector

DCCAE: Department of Communications, Climate Action and Environment

ELT: End of Life Tyre

ELV: End of Life Vehicle

EoW: End of Waste Criteria

EPA: Environmental Protection Agency

ETRMA: European Tyre and Rubber Manufacturers Association

NVDF: National Vehicle Database File

Processing facility: A tyre recycling plant

Producer: The first person to put a tyre on the market in Ireland

Retailer: Buys tyres from Producer to sell on to consumer or another Retailer

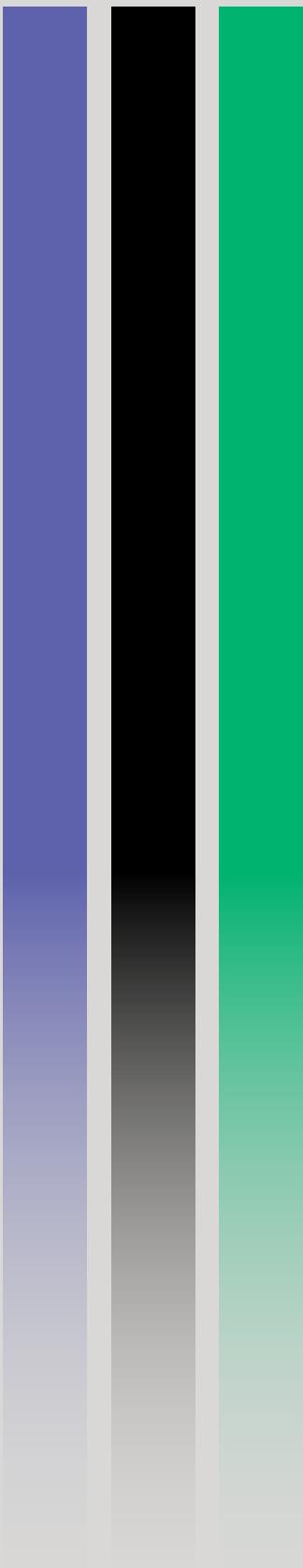
TFS: Trans Frontier Shipment

vEMC: Visible Environmental Management Cost

WERLA: Waste Enforcement Regional Lead Authorities

¹ 2015, COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE OF THE REGIONS. Closing the loop - an EU action plan for the circular economy (<http://eur-lex.europa.eu/legal-context/EN/TXT?url=CELEX:52015DC0614>)





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