

Repak ELT

Phase One **Repak ELT Tyre Compliance Scheme**

1st November 2015 to 31st December 2016



■ Contents

- 01 Introduction
- 02 Repak ELT Board
- 03 Governance
- 04 Finance
- 05 Membership
- 06 Reporting
- 07 Communication
- 08 Recovery and Recycling
- 09 Phase 2 Development

01

INTRODUCTION

Managing our members waste to optimise the environmental outcomes for end of life tyres

While not part of our initial business plan, Repak ELT have put the extended phase one period of the compliance scheme for waste tyres to good use. Our sister company Repak has 20 years experience in waste compliance scheme operation, but tyres were new to us.

During this interim period Repak ELT has had an open door policy meeting stakeholders and interested parties from owner operators small businesses to manufacturers and trade associations. The emergence of companies looking to develop technically advanced businesses to manage end of life tyres creates the real potential for Ireland to manage all our tyre waste at home.

We have expanded our knowledge of the tyre industry and the issues that affect those trading in it. This has greatly enhanced our development programme for our security and IT systems which have been specifically designed to effectively track and manage tyres through the distribution chain to when they are taken out of the waste stream at end of life.

Our membership figures reflect an increasing culture of compliance in the Irish Tyre Industry and provide a stable platform for the introduction of the PRI on 1st October 2017.



Séamus Clancy CEO Repak ELT

02

REPAK ELT BOARD

Chairman

Tony Keohane Repak

Fergal Brennan Independent

Séamus Clancy (CEO) Repak

Kevin Farrell ATRS

David Kelly Independent

Michael Layde Independent

Company Secretary

William Collins Repak

03 GOVERNANCE

Repak ELT a company limited by guarantee was incorporated on 24th of July 2015 to operate an End of Life Tyre Compliance scheme from 1st November 2015, in order to comply with the legal obligations imposed on tyre producers by S.I. No. 664 of the 2007 Waste Management (Tyres and Waste Tyres) Regulations.

The company operates under approval granted by the Minister for Communications, Climate Action and Environment to June 30th, 2017. The company operates from premises at the Red Cow Interchange Estate, 1 Ballymount Road, Clondalkin, Dublin 22.

The company is responsible for collating data in relation to tyres placed on the market by its members as well as waste tyres collected.

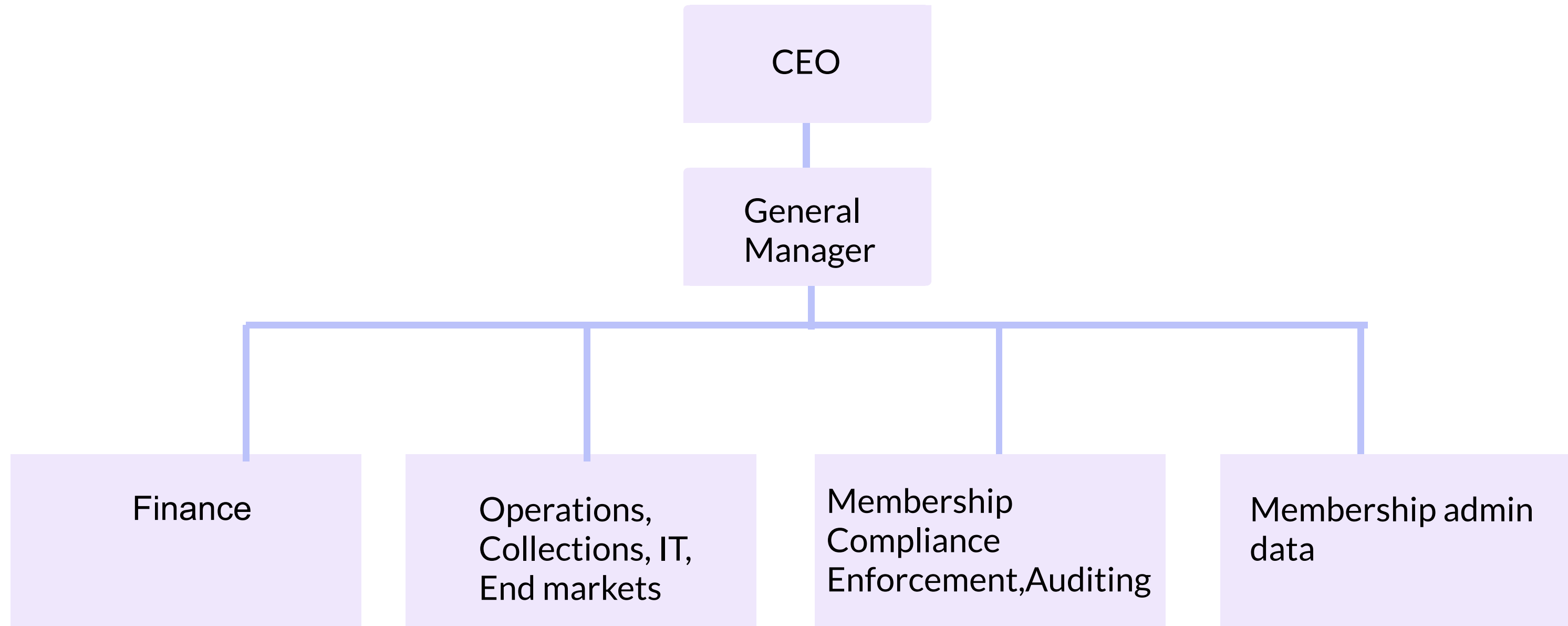
The company's mission is to ensure its members comply with their legal obligations as set out in the 2007 Waste Management (Tyres and Waste Tyres) Regulations.

Board meetings were held on the following dates:

- 24/07/2015
- 6/10/2015
- 30/10/2015
- 15/12/2015
- 24/02/2016
- 31/05/2016
- 22/11/2016

03 GOVERNANCE - continued

Repak ELT Organisational Structure



FINANCE

Membership fees for the period amounted to €200,700 and administrative expenses amounted to €744,959. The resulting deficit on ordinary activities before taxation of €544,259 has been driven by and large through activities associated with planning for the implementation of a full producer responsibility scheme.

The company has been supported by Repak Limited through the provision of a number of key personnel and shared services associated with the implementation of a full producer responsibility scheme.

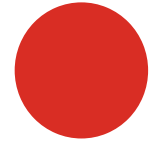
Repak has also funded expenditure on behalf of the company. This key investment covered phase one of the compliance scheme and the development of the operational security and IT systems for phase two.

Repak funding has also supported the roll out of comprehensive recruitment and communication campaigns, which are a solid foundation for the establishment of a full PRI in phase two. At the 31st December 2016 the company owed Repak Limited €661,451.

The full PRI compliance scheme will make the company responsible for the recovery and recycling of end of life tyres placed on the market by its members.

The evolution to a full compliance scheme is contingent on further regulation being enacted by the Minister for Communications, Climate Action and Environment.

Draft statutory accounts accompany this report. Accounts will not be signed off on until such time as the new regulations are in place.

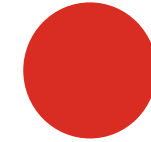


Reporting

Repak ELT, from a standing start has made swift progress and comfortably surpassed its target of 500 economic operators in year one, as set out in the approval document, within the first quarter of operation.

Membership numbers grew to **848** by 31st December 2016. Included in the membership is 100% of the manufacturers trading directly in Ireland.

Member reporting figures across the key stakeholders from placed on the market through the retail chain to end of life, recorded over 3.2 million tyres from 1st November 2015 to 31st December 2016.



Economic Operators list

A list of all economic operators i.e. any business who handles tyres as part of their business, was generated. Having started with an industry guided figure of 2,000 economic operators, Repak ELT research expanded this list to include over 3,000 operators.

This information, while in the public domain, involved extensive research and was generated from on the ground visits and information pertaining to non-compliant operators.

All local authorities have a dedicated login to the secure portal, which is a live document and updated when an operator is added or removed.

05 MEMBERSHIP - continued

The Membership is made up from all operators in the tyre industry, with the largest member sector as expected being the Retailer.



PRODUCER

- Manufacturer
- Importer
- Wholesaler
- Distributor
- Retailers importing directly



RETAILER

- Retailers
- Distributorss buying from scheme members



COLLECTOR

- Waste Collectors
- Waste Facilities
- Recycling facilities



ATF

- Authorised Treatment facility for end of life vehicles



OTHER

- Vehicle manufacturers
- Equipment suppliers
- Casings management
- Retreading

MEMBERSHIP - continued



Security

Retailer and Producer members report directly into dedicated secure portals. Each member has a unique user name, password and user generated confidential PIN number. Encryption software protects the security and confidentiality of the data.



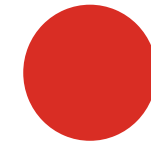
Fees

Annual membership is €70 for each member category, with €50 per additional premises. Producers pay a 10 cent administrative fee per tyre reported to the scheme.



Members list

Our members list is published on www.repakelt.ie



Reporting

Members report the tyres they distribute according to source, category and units. Retailers report waste tyres generated by category, unit and collector used. Collectors report waste collected by outlet, category, unit and weight.



Revocation

A small number of memberships have been revoked in instances where the operator has not complied with the regulations and or the scheme rules.

MEMBERSHIP - continued

A positive outlook

The sentiment among members is positive, as they look forward to availing of the benefits of the incoming Producer Responsibility Initiative (PRI). Their expectation is that the PRI will deliver the much-desired regulation to the industry, which comes with a full compliance scheme.

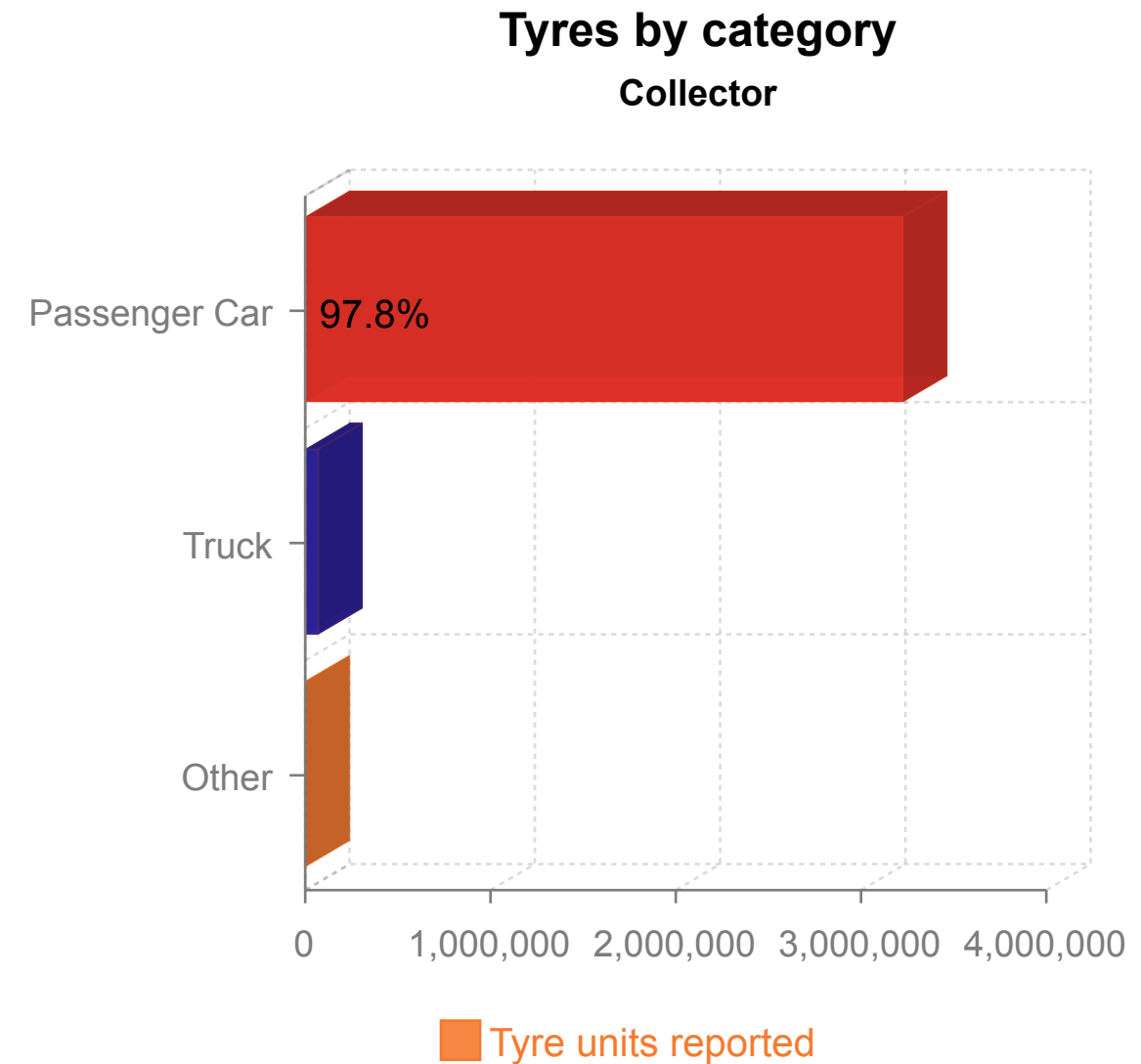
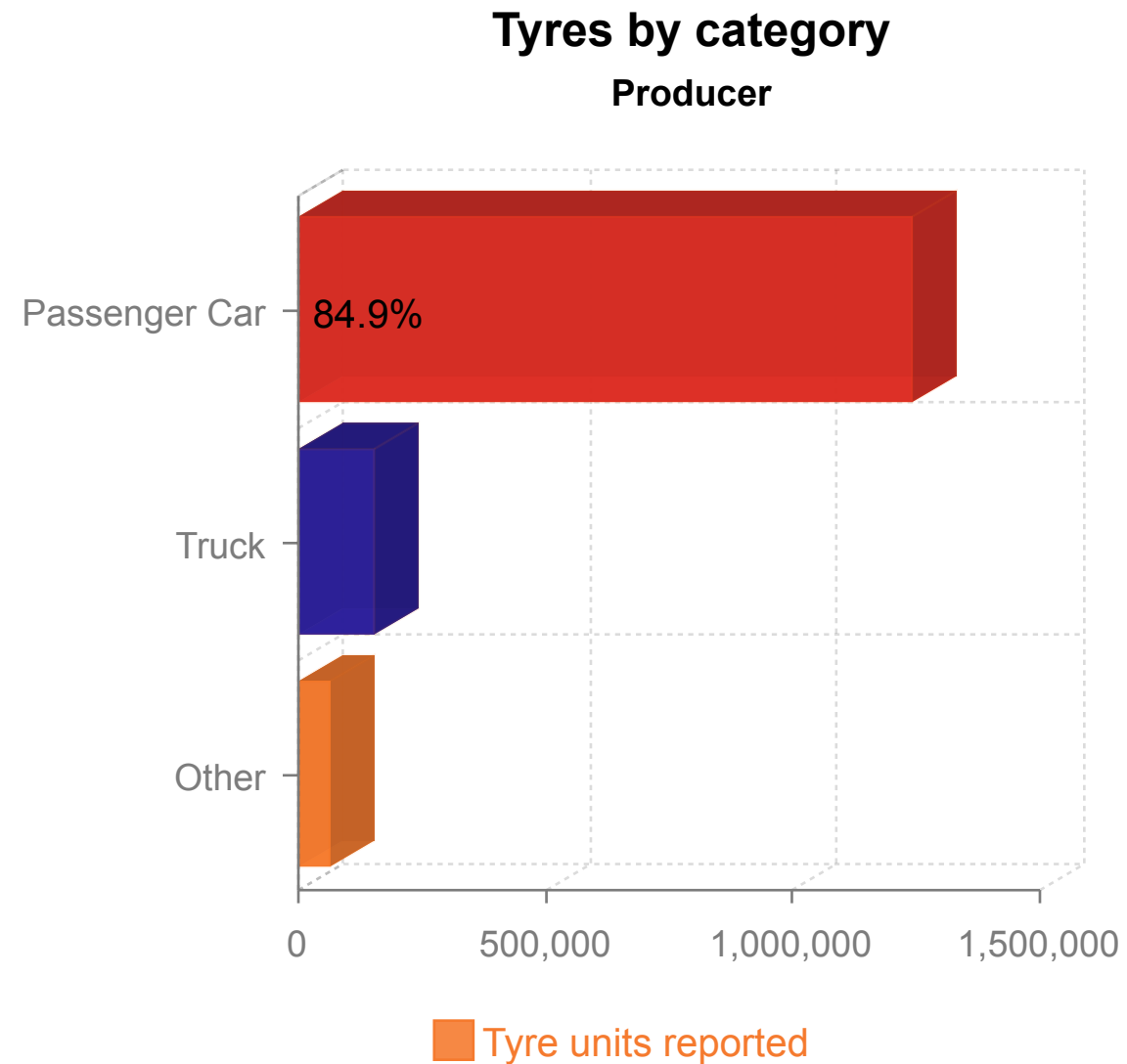
Benefits to members will be tangible with the operation of a single scheme. It will be more obvious to enforcement officials who the non-complaint operators are in the system. The PRI will bring certainty, minimise the black market, be fair and transparent and greatly boost levels of compliance. These factors combined will impact positively on compliant operators who compete with the non-compliant traders in their day to day business.

Some industry operators have been waiting on the side lines due to the uncertainty surrounding the full impact of the PRI. Once there is certainty regarding the regulations and operator's legal obligations, this will put a lot of minds at rest.

Members of the PRI compliance scheme assure their customers that they take full responsibility at end of life for the tyres they put on the market. This will enhance the industry's reputation both socially and environmentally.

06 REPORTING

Car tyres make up over 80% of the tyres reported.



COMMUNICATION

Engagement with industry and stakeholders was the focus of our initial communication campaign, which was rolled out through a multi channel approach.

1

Information

General information on how to register and report to the scheme and an outline of those obligated under the current Waste Management (Tyres and Waste Tyres) Regulations 2007 was circulated through trade press advertising and via our website.

2

Direct Communication

Sector specific information was sent directly to over 3,000 industry operators, to local authorities and stakeholders through direct mail, email and E-newsletter campaigns.

3

Face to face

870 industry operators were visited and given information on the operation of the scheme. Meetings took place with industry and stakeholders from individual owner operators to trade organisations, covering all the supply chain operators.

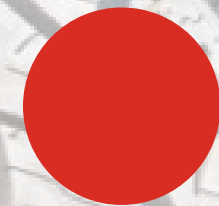
07

COMMUNICATION

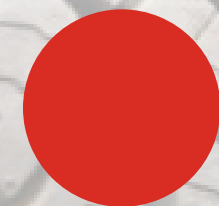
A comprehensive education and awareness campaign was undertaken to engage and communicate with the industry, stakeholders, and members. This included:



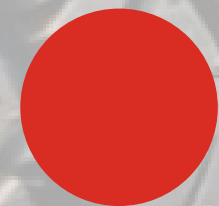
Industry and stakeholder meetings



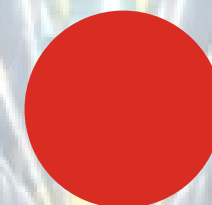
Recruitment campaign



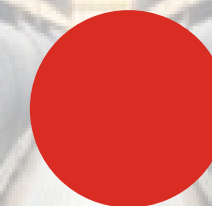
Trade adverts



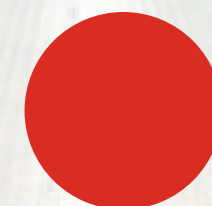
E-Newsletter campaigns



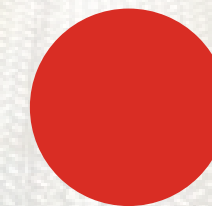
Mailshot campaigns



Direct email campaigns



Enforcement liaison



Website

RECOVERY AND RECYCLING

During phase one of operation of the tyre compliance scheme Repak ELT did not have responsibility for the recovery and recycling of tyres. This will change in phase two when Repak ELT will have responsibility for the sound environmental management of end of life tyres.

A topic of debate is the health aspects of using products made from end of life tyres. The European Chemicals Agency has allayed health fears over synthetic sports pitches, with research showing that recycled tyre rubber, which is used extensively in artificial 3G and 4G pitches, poses a very low level of risk.

Following concerns last June, the ECHA were tasked by European Commission with quantifying the potential ill effects of such pitches which are now used by GAA, soccer and rugby players throughout Ireland. Preliminary findings based on studies conducted in recent months, conclude there is no cause for concern either for players or for workers who install and maintain the artificial surfaces.

The European tyre manufacturers, represented by ETRMA, stated that 'albeit we produce tyres, we feel socially responsible for the entire value chain. While there is no evidence to date that rubber granules infill ('SBR rubber') derived from ELT pose a risk to the health of professionals and players, we want to exclude any remaining doubts. Therefore, the EU industry in a joint initiative from tyre manufacturers, End of Life Tyre management companies, tyre recyclers and artificial turf field installers is launching an extensive and independent study throughout the EU.'

By 2020, it is estimated that 21,000 full size pitches and about 72,000 mini pitches will exist in the European Union.

PHASE 2 DEVELOPMENT

When Repak ELT was appointed to run the waste tyre compliance scheme, the then Minister Alan Kelly outlined a two phase process and the key factors for the operation of phase 2.

Key Phase 2 operational factors

- Full PRI
- No self -compliance
- Formalisation of existing fee to vEMC
- Front loaded scheme model
- Percentage of surplus to go to historic stock pile abatement
- Strong enforcement
- Imported vehicles would be subject to the vEMC
- Tyres on imported vehicles to be subject to vEMC



Coillte Forest Galway - April 2017

PHASE 2 DEVELOPMENT



Security and IT Systems

Repak ELT has invested in developing a purpose built data collection module for the tyre industry.

While benefiting from two decades of experience in running a PRI for packaging in its sister company Repak Ltd. Repak ELT will use a secure online portal for the submission of tyre data from Retailers, Collectors and ATF's.



Partnership

Repak ELT will partner with industry stakeholders including the Road Safety Authority, to ensure that the operation of the compliance scheme delivers its full potential to the industry and the public.



Members tyres

In phase two Repak ELT will be the only compliance option for industry operators. All tyre operators will be legally required to join the compliance scheme.

Repak ELT will undertake to ensure the sound environmental management of 100% of its member's tyres, from end of life through to recycling and recovery.

PHASE TWO RECOVERY AND RECYCLING

A lack of infrastructure has been an ongoing problem in dealing with tyre waste generated in Ireland. A ten year high in shipping rates has added to the cost of disposing of waste tyres for most collectors.

With the onset of the PRI (Producer Responsibility Initiative) scheme, indigenous investment has increased and there are a number of projects underway which will help the circular economy. Most of the investment is taking place in the northern half of the country with a crumbing plant and two pyrolysis projects currently underway. These three projects will form part of the recycling infrastructure. There are other projects of this nature but at the moment they are at incubator stage and may or may not come to pass.

Presently no recovery (waste to energy) of tyres takes place within the state. Tyre volumes are exported for this purpose to India and Korea and to a lesser extent to Europe. Plans are at an advanced stage in the mid-west for a recovery facility which will accept whole tyres. Other operators are also looking at investing in their facilities for this purpose.

With the long overdue investment in facilities and working to circular economy principles it is our belief that all waste tyres generated can be dealt with on the island of Ireland in the coming years.

CONTACT US



Email:
info@repakelt.ie



Phone:
01 4618 600



1 Ballymount Road,
Red Cow Interchange Estate, Clondalkin,
Dublin 22, D22 HW67

