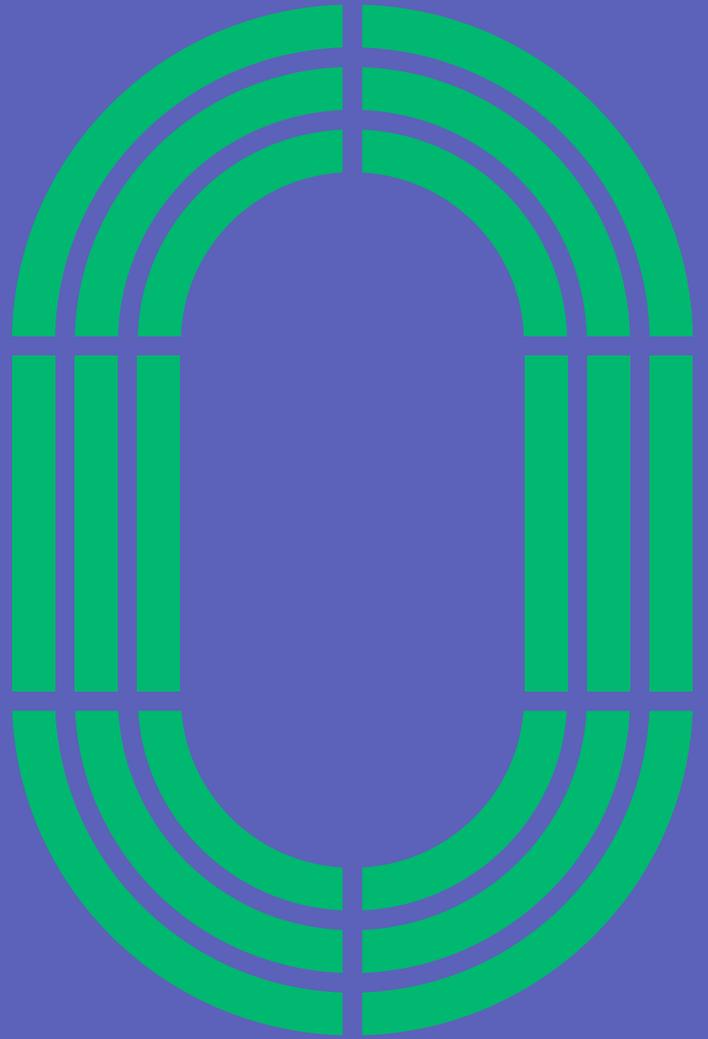




ANNUAL REPORT





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CEO & CHAIR STATEMENT

As we look forward to the opening of the communities and businesses that we serve, our industry can be proud of its achievements in 2020. We owe a debt of gratitude to the retailers, collectors and processors who have remained open, keeping us on the road while adhering to government guidelines. Although this represented a year of unprecedented challenge, 3.41 million tyres were collected from Member's premises in 2020.

Repak ELT in line with the proximity principle seeks to promote domestic recycling. We welcome the fact that 53% of these tyres were recycled in the Republic of Ireland. This represents an increase of 80% over 2019.

A major focus of our communications strategy is to support Members. Throughout the lockdown we promoted their continued essential service to motorists and circulated key information for their businesses.

We are continuing to work with stakeholders to establish new markets for waste tyres. In 2020 we made significant progress on our Roads Project to utilise the benefits of recycled tyre rubber in road surfaces. Tyre modified asphalt creates a premium road surface with reduced rutting, increased durability and superior noise reduction. We are working with local authorities, road construction and tyre waste processors to lay a number of trial road surfaces using waste tyres in 2021.

Despite the challenges of 2020, a surplus after tax of €1.93 million was achieved. In line with the conditions of our approval, €1.4 million of this surplus was transferred to a contingency reserve fund.

2020 HIGHLIGHTS

- Funded recycling and recovery of 28,495 tonnes of waste
- 53% waste tyres recycled in Ireland
- Tyres exported for recycling outside EU reduced by 71%
- Member numbers 2,662

We welcome and look forward to working with Minister Eamon Ryan, who was appointed in June 2020. We support his proposal to expand Extended Producer Responsibility to include all categories of tyres provided for in the Regulations as outlined in the Waste Action Plan for a Circular Economy 2020.

We thank the Department of Environment, Climate and Communications for their continued support in the operation of the tyre compliance scheme. The enforcement agencies Waste Enforcement Regional Lead Authorities (WERLA), The Environmental Protection Agency (EPA) and the Local Authorities (LA) have again prioritised tyre waste and we thank them for their sustained efforts to ensure that compliance is a constructive experience for the tyre industry and that non-compliance is consistently challenged.

We acknowledge the support of the Producer Register Limited (PRL) which facilitates producer reporting.

Flavio Piovesan has retired from his industry role and has stepped down from his board position with Repak ELT. Always generous in sharing his knowledge from a global perspective, he brought objective insights in the environmental management of tyre waste. We thank him for his valuable contribution and wish him well for his retirement.

We wish to thank our Members for their continued engagement and support of the scheme. Your contribution to the scheme will yield tangible benefits for communities and the environment.

We would like to extend our sincere thanks to the Repak ELT team. Throughout an extremely difficult year they maintained a positive team spirit. Their dedication and resilience ensured that we continued to support our Members, collectors, enforcement agencies and stakeholders.

We look forward to meeting up again in the not-too-distant future.



TONY KEOHANE [CHAIR]



WILLIAM COLLINS [CEO]



A close-up photograph of a person's hands working on a tire mounted on a machine. The person is using a tool to adjust the tire. The image has a green overlay. The text "DRIVING A SUSTAINABLE FUTURE" is written in white, bold, sans-serif font across the center of the image.

**DRIVING A
SUSTAINABLE
FUTURE**

**BOARD
MEMBERS**

2020



Tony Keohane

Chair



William Collins

CEO



Feargal Brennan

Independent



Séamus Clancy

Repak



Des Collins

Industry



Kevin Farrell

Industry



David Kelly

Independent



Michael Layde

Independent



Flavio Piovesan

Industry

REPAK ELT



Siobhan Donohoe

Financial Controller &
Company Secretary

GOVERNANCE

CORPORATE STRUCTURE

Repak ELT single member company limited by guarantee, was approved to operate the tyre compliance scheme under the Waste Management (Tyres and Waste Tyres) Regulations 2017 on 1st October 2017 until 31st December 2022.

Repak ELT is committed to best practice in corporate governance

CORPORATE GOVERNANCE FRAMEWORK

The primary corporate governance instruments adopted by Repak ELT are the approval from the Department of Environment, Climate and Communications 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.

COMPANY OFFICERS

The following individuals acted as officers of the company during the year ending 31st December 2020:

DIRECTORS

Mr Tony Keohane (Chairman)
Mr William Collins (CEO)
Mr Feargal Brennan (Independent)
Mr Séamus Clancy (Repak)
Mr Des Collins (Tyre Manufacturer)
Mr Kevin Farrell Tyre (Retailer)
Mr David Kelly (Independent)
Mr Michael Layde (Independent)
Mr Flavio Piovesan (Tyre Manufacturer)-
Resigned 31st December 2020

FINANCIAL CONTROLLER & COMPANY SECRETARY

Ms Siobhan Donohoe

On 28th May 2020 Ms Siobhan Donohoe was appointed Financial Controller & Company Secretary of the company.

Board Meeting Attendance 2020	27th Feb	28th May	3rd Sep	26th Nov
Tony Keohane	✓	✓	✓	✓
Feargal Brennan	✓	✓	✓	✓
Séamus Clancy		✓	✓	✓
Des Collins	✓	✓	✓	✓
William Collins	✓	✓	✓	✓
Kevin Farrell	✓		✓	✓
David Kelly	✓	✓	✓	✓
Michael Layde	✓	✓	✓	✓
Flavio Piovesan	✓	✓	✓	✓

BOARD COMMITTEES

FINANCE, AUDIT & RISK COMMITTEE

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

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 William Collins, Mr Michael Layde.

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 (Resigned 31st December 2020).

The Committee makes recommendation 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

2020 was a challenging year as our Members responded to an unprecedented and evolving global pandemic. Notwithstanding this we delivered a solid financial performance in terms of operating surplus and cost control.

A significant financial milestone was achieved in that we have accumulated a contingency reserve fund of €3.54m. As a condition of our licence granted by the DECC, Repak ELT must build up a contingency reserve fund of €5 million by the end of the current licence period on 31st December 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 non renewal of the licence.

FINANCE HIGHLIGHTS 2020

- Membership Income of of €10.58m (2019: €11.48m)
- Direct Recycling and Recovery costs of €6.11m
- Funded the recovery & recycling of 3.41 million tyres
- Surplus after tax of €1.93m, of which €1.4m was transferred to a contingency reserve fund.
- Contingency Reserve Fund of €3.54m (required to achieve €5m by 2022 under terms of approval).
- Balance sheet total net assets of €4.85m (2019: total net assets of €2.92m)

REVENUE

Membership fees of €10.58m (2019: €11.48m), driven by 3.75 million tyres reported to the scheme as being placed on the Irish market in 2020. This equates to approximately 31.3k tonnes of tyres.

DIRECT RECOVERY AND RECYCLING EXPENDITURE

Total expenditure for 2020 amounted to €6.11m (2019: €6.88m), with Repak ELT funding the recovery and recycling of 28.4k tonnes of our Members' waste tyres during the course of the year.

ADMINISTRATION EXPENSES

Administration expenses amounted to €2.26m (2019: €2.46m). Included in this figure is wages and salaries of €1.1m and Repak Limited charges of €672k based on a Service Level Agreement.

CREDITORS

The creditor's amount of €2.69m includes trade creditors of €229k, accruals of €2.25m and taxation €206k

CAPITAL & RESERVES

The capital and reserves figure of €4.85 million comprises a contingency reserve fund of €3.5m and the profit and loss account of €1.3m. The transfer to the contingency reserve fund is based on the agreed proportion of the vEMC (visible Environmental Management Cost) being used for this purpose.



FINANCE

PROFIT & LOSS ACCOUNT FINANCIAL YEAR ENDED 31ST DECEMBER 2020

	2020	2019
	€	€
Membership fee income	10,588,632	11,482,183
Direct recovery and recycling costs	(6,113,940)	(6,889,959)
Gross profit	4,474,692	4,592,224
Administrative expenses	(2,266,855)	(2,464,655)
Surplus on ordinary activities before taxation	2,207,837	2,127,569
Tax on surplus on ordinary activities	(276,377)	(267,453)
Surplus for the financial year	1,931,460	1,860,116

BALANCE SHEET AS AT 31ST DECEMBER 2020

	2020	2019
	€	€
Fixed Assets		
Tangible assets	14,284	855
Current assets		
Debtors	3,903,336	3,222,225
Cash at bank and in hand	3,629,314	2,341,303
	7,532,650	5,563,528
Creditors: amounts falling due within one year	(2,691,017)	(2,639,926)
Net current assets	4,841,633	2,923,602
Net assets	4,855,917	2,924,457
Capital and reserves		
Profit and loss account	1,311,098	789,603
Contingency reserve fund	3,544,819	2,134,854
Total equity	4,855,917	2,924,457



MEMBERSHIP

Despite a challenging year, producers reported 3.75m tyres in 2020 which is testament to the strength and resilience of the industry. Understandably, reporting from members was mixed, as some operators were not always in a position to complete their returns. However, once timing allowed, reporting returned to previous levels.

THE KEY METRICS FOR 2020 INCLUDE:

- Tyres captured – Producer tyres reported reduced from 4.1m tyres in 2019 to 3.75m tyres in 2020 (8.5% reduction).
- Members have given a satisfaction rating with the scheme of 81% (8.1/10).
- 174 new Members joined the scheme.

MEMBER SURVEY

Repak ELT conducted our annual membership survey in February 2021 to gather Members' feedback as the scheme approaches its fourth year in operation. We thank all 346 members who participated. Your feedback is important to us and helps shape and guide the future direction of the organisation.

For this survey there was particular emphasis placed on the impact felt from the pandemic along with an evaluation of how we are looking after our Members' requirements.

We were delighted to donate on your behalf €692 to Children's Health Ireland at Crumlin.

SURVEY FINDINGS:

- Members have given a satisfaction rating with the scheme of 81% (8.1/10).
- 85% of respondents said they were either 'satisfied' or 'very satisfied' when asked to rate their interactions with the Membership team.
- 82% of those surveyed were 'satisfied' or 'very satisfied' when reflecting on their experience of the Collections team.
- 26% of members who responded said their staff numbers decreased in 2020 due to the COVID-19 pandemic.
- Nearly all members were adversely impacted by the three COVID lockdowns, with particularly difficult times during the first and third lockdowns.

- There was widespread interest in the idea of a member app with 66% of respondents interested in at least one of the various benefits it might offer.
- 88% of respondents were interested in going 'paperless', a reflection on our members' environmental sensitivities.

RECRUITMENT

As of January 1st 2020, 2,643 Members were registered with the scheme. During the year 174 new Members joined which were partially offset by 155 revocations. A significant number of revocations resulted from operators ceasing to deal with tyres.

A Live list of current fully compliant members is available to the public on www.repakelt.ie/memberlist

MEMBERSHIP ACTIVITY

Reporting rates across 2020 were impacted by the pandemic. Many members were unable to visit their premises during the various lockdowns and, as a result, there was a temporary slowdown in reporting.

We provided Members with added assistance during this time comprising:

1. Ongoing email and phone support.
2. Guidance documents for reporting.
3. Proactive contact by Membership Team to assist with reporting.

MEMBER AUDITS

The purpose of our audits is to ensure Members are neither under, nor over-reporting, and to guarantee clarity, traceability and fairness throughout the scheme. The emphasis of the programme is to encourage and support Members in fulfilling their compliance obligations.

Our audit programme was adversely impacted by the COVID restrictions.

By the year end 2,173 unique member audits had been completed with overall pass rates of 92%. The remainder of members will be audited in the coming year subject to Government guidance.





BRINGING THE CIRCULAR ECONOMY TO LIFE

OPERATIONS

Key Metrics	Ireland	EU	Outside EU			Total	
	Recycled	Recycled	Recycled	WtE	Reuse		Steel
2020 Tonnes	15,239	5,219	6,358	1,326	44	309	28,495
	53.50%	18.30%	22.30%	4.70%	0.20%	1.10%	100%
2019 Tonnes	8,481	954	22,138	1028	44	0	32,645
	26%	2.90%	67.80%	3.10%	0.10%	0.00%	100%

Repak ELT collected and funded the recovery and recycling of 28,495 tonnes of waste tyres which equates to approx 3.41m tyres. This volume amounted to 94% of the market for 2020 which was down 12% on 2019. The operating environment was dominated by the COVID-19 pandemic and the forced closure of tyre outlets with the exception of emergency services from mid-March through to May. As waste collection was deemed an essential service, our service network continued to operate through the pandemic.

Recycling in the Republic of Ireland rose by 80%, up from 8,481 tonnes in 2019 to 15,239 tonnes in 2020. Global markets were significantly impacted throughout the year. This resulted in a substantial uplift in primary processing in Ireland and Northern Ireland. Using facilities that are closer to the origin of the waste aligns to the proximity principle.

Container supply bottlenecks and increases in shipping cost resulted in recycling outside the EU dropping by 71% through 2020. Waste to Energy (WtE) markets increased by 2% over 2019.

Accurate data is fundamental to the operation of the scheme. Data reconciliation is significant in both the Operations and the Membership departments. A collections and processing rate of 94% was achieved through the year. Namely, an equivalent to 94% of all passenger car and motorcycle tyres placed on the market were sent for recycling or recovery by our collector network. Waste tyre collection is free to Members for Passenger Car and Motorcycle tyres once the vEMC (visible Environmental Management Cost) is paid. Members pay the collector directly for other non vEMC category commercial tyres – Truck/Bus and Agricultural/Construction/Industrial tyres.

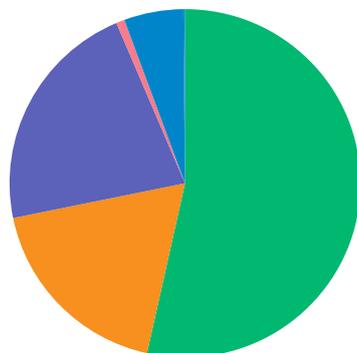
Repak ELT co-ordinates with the NTFSO (National TransFrontier Shipping Office) on shipments of waste outside of the Republic of Ireland. We also regularly engage with the NWCPO (National Waste Collection Permit Office) on all matters relating to the compliance of waste collection permits. At local level we engage with each local authority in regard to waste facility permits under their remit.

Repak ELT have made a number of submissions to Government on the Circular Economy and Waste Action Plan. An 'End of Waste' application for a national standard for tyre aggregates (Crumb rubber, infill & powder) was submitted to the EPA in November 2020. If successful, this would allow certain tyre derived aggregates e.g. crumb rubber & powders, to be determined as products and not waste. Repak ELT has engaged with local authorities and asphalt manufacturers with a view to rolling out a number of innovation projects such as tyre modified asphalt which can be used on roads, cycle paths and greenways. Using tyre derived aggregates as a resource strongly aligns with circular economy principles.

CONTRACT COMPLIANCE & FINANCIAL AUDIT PROGRAMME 2020

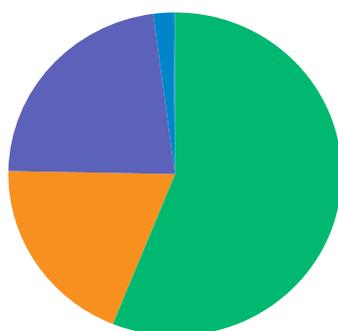
As restrictions were in place throughout 2020 the contract compliance and financial audit programme for 2020 will not commence until June 2021. All site visits will have regard to Government guidelines.

OPERATIONS



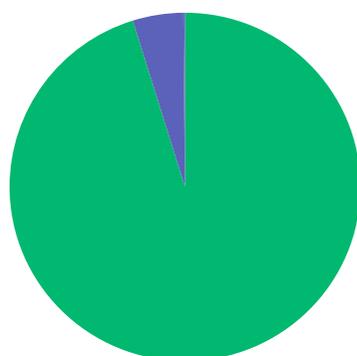
END MARKET TONNES BY COUNTRY 2020

Ireland	15,239
Northern Ireland	5,219
India	6,214
Senegal	221
Pakistan	1,558
Honduras	44
Total	28,495



RECYCLING/REUSE BY COUNTRY

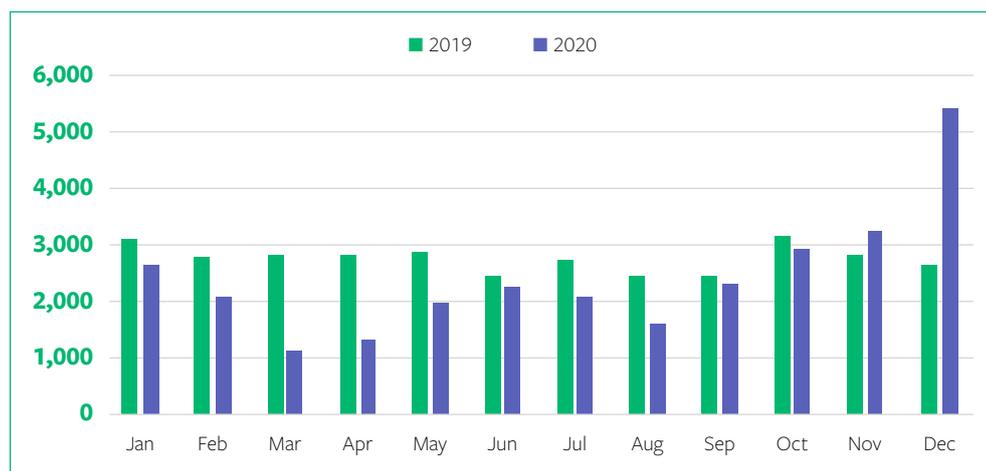
Ireland	15,239
Northern Ireland	5,219
India	6,140
Pakistan	527
Honduras	44
Total	27,125



END MARKET TYPES

Recycling	27,125
Recovery WtE	1,326
Reuse	44
Total	28,495

ELT PROCESSED 2019 VS 2020



ENFORCEMENT



Department of Environment, Climate and Communication (DECC)

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.

While Repak ELT does not have an enforcement role, we do support the agencies tasked with overseeing compliance in the tyre industry.

The enforcement of the Tyre Regulations is two-fold and is operated on a collaborative basis across all enforcement agencies. The Department of Environment, Climate and Communications (DECC) 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 2020 and this elevated status has helped drive compliance throughout the tyre industry with enforcement agents visiting tyre operators throughout all regions when restrictions allowed.

Repak ELT works closely with the WERLAs (Waste Enforcement Regional Lead Authorities) throughout the country on tyre waste issues in relation to inspections and the validation of waste data.

Repak ELT co-ordinates with the NTFSO (National TransFrontier Shipping Office) on shipments of waste outside of the Republic of Ireland. We also regularly engage with the NWCPO (National Waste Collection Permit Office) on all matters relating to the compliance of waste collection permits. At local level we engage with each local authority in regard to waste facility permits under their remit.

Our work to support the enforcement initiatives on the ground includes:

- Daily engagement with the enforcement agencies in a synergistic approach to managing end of life tyres.
- Reporting non-compliance to relevant authorities in the market, identified both from our own research and through our confidential reporting system on our website.
- Member audits.

The high number of Members registered with Repak ELT reflects the effective enforcement activities taking place.



G1D04

Head Depth Gauge

mm INCH

4.33

ZERO

OFF

ON

PCL

COMMUNICATIONS & PUBLIC AWARENESS

MEMBER SUPPORT

As the crisis unfolded we realigned our communications strategy with the sole aim of supporting Members' businesses and keeping the public safe. We produced a number of videos showcasing retail outlets operating under restrictions.

Throughout the year as businesses continued to open and close, we promoted when outlets were accessible to the public and the measures in place to ensure safe operations.

Digital communication was effective in disseminating information in real-time through our website, newsletter and social media channels. Radio assumed a greater significance during the pandemic and we timed a number of national campaigns to support tyre operators as essential services when they were allowed to reopen to the public.

Digital assets were produced to assist Members at outlet level with downloadable signage for social distancing available through our website.



Posters for social distancing

COMMUNICATIONS & PUBLIC AWARENESS

PUBLIC REASSURANCE

RADIO

National campaigns on both regional and national radio stations were timed to alert the public when retail tyre outlets were open and working closely in line with government guidelines for safe retail.

SOCIAL

Our Facebook page facilitated quick and informative updates for both Members and the motoring public. We alerted viewers when outlets were open and produced videos to highlight how the government guidelines were being implemented. Members also shared our content to their own social media.

IRISH ROAD SAFETY WEEK (IRSW)

In line with previous years, we continued to partner with the Road Safety Authority (RSA) for Irish Road Safety Week in 2020. Digital point of sale assets were made available to download to support IRSW and highlighted our role in the drive to improve road safety. A national radio campaign ran throughout IRSW and encouraged the motoring public to get their tyres checked with a Repak ELT member outlet.

AGM

Our AGM was held remotely on 25th June.

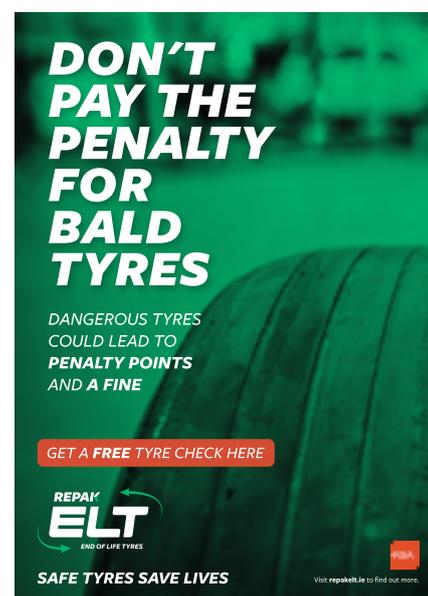
BACK TO SCHOOL & WORK CAMPAIGN

We timed a Radio campaign to coincide with the lifting of restrictions and a return to school and work in September. The message was to encourage the motoring public to visit their local tyre outlet to have their tyres checked. With so many vehicles parked up during lockdown, it was important for motorists to be aware of the need to check tyre pressure and condition before getting back on the road.

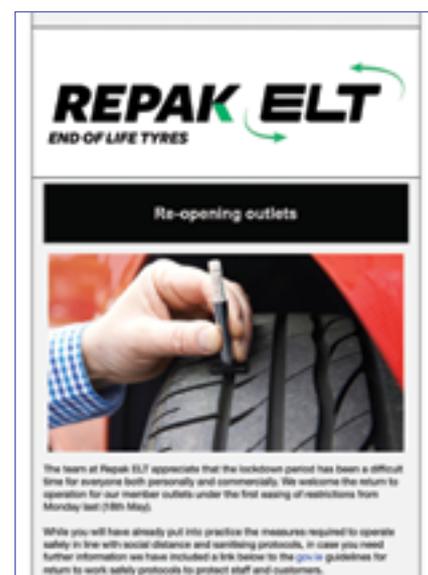
Our video reassured the public that it was simple and safe to visit their local tyre outlet.



Scan to view video



Poster for IRSW



Repak ELT Ezine



Repak ELT ACT social media post

GLOSSARY / ACRONYMS

ATF: Authorised treatment facility for end of life vehicles

CIRCULAR ECONOMY: The circular economy is a model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible. In this way, the life cycle of products is extended.¹

COLLECTOR: Contracted Repak ELT Collector

DECC: Department of Environment, Climate and Communication

ELT: End of Life Tyre

ELV: End of Life Vehicle

EOW: End of Waste

EPA: Environmental Protection Agency

NWCPO: National Waste Collection Permit Office

NVDF: National Vehicle Database File

PRL: Producer Register Limited

PROCESSING FACILITY: A tyre recycling plant

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

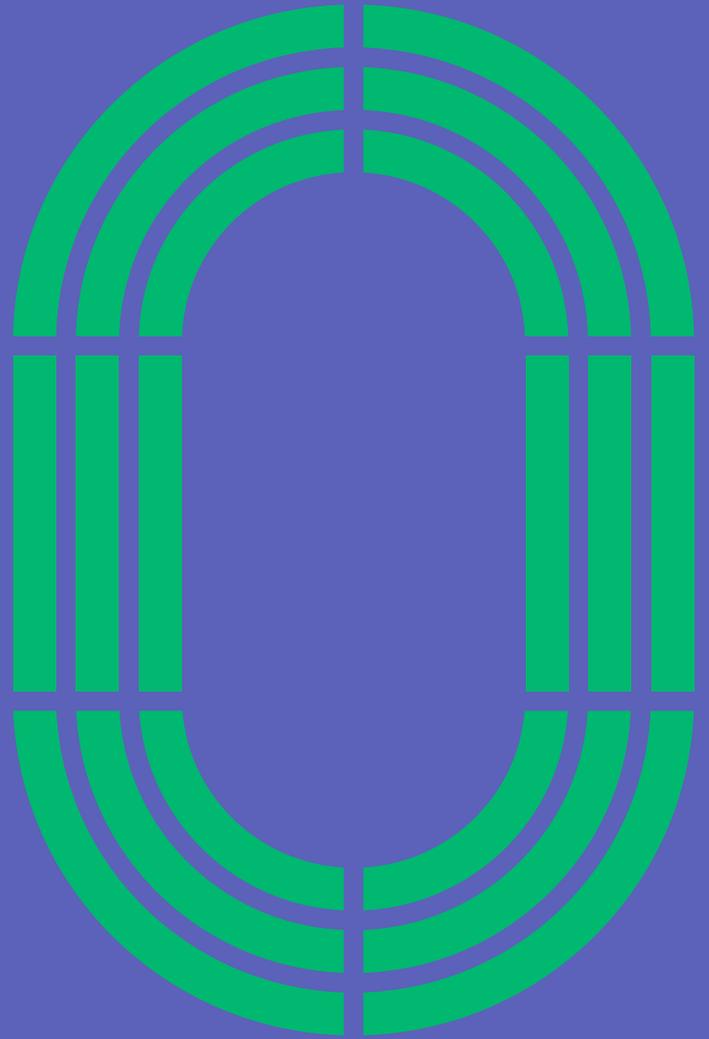
RETAILER: Buys tyres from Producer to sell on to consumer or another Retailer

NTFSO: National TransFrontier Shipment Office

vEMC: Visible Environmental Management Cost

WERLA: Waste Enforcement Regional Lead Authorities

1. Definition of Circular Economy from European Parliament: <https://www.europarl.europa.eu/news/en/headlines/economy/20151201STO05603/circular-economy-definition-importance-and-benefits>





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