



L'Economia Circolare dei PFU



REPORT 2020





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REPORT 2020

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FOREWORD

The past year was unquestionably one of the hardest ever for our society. The pandemic caught us all by surprise and heavily impacted our activities, leading to an unprecedented and highly complex situation. Nevertheless some sectors, ours included, were rightly required to keep on working so that essential services would be guaranteed. Thanks to the efforts of all our employees and collaborators, and of EcoTyre's 109 Logistics Partners and 17 Recycling Partners, we managed not only to reorganise our operations so as to meet the objectives and targets initially set for 2020 but even to slightly exceed them, making sure waste tyres would keep on being collected and succeeding in maintaining an adequate operative level despite the situation.

I would like to thank them all warmly for their extraordinary efforts and commitment. We are extremely satisfied at having managed to prove ourselves useful in such a challenging context.

In the course of the past year we confirmed our policy based on thoroughness of coverage, continuing to serve even the smallest shops in the most peripheral or disadvantaged areas and reaching the remarkable number of 14,000 registered pick-up points in our network.

We have also continued enriching our Portal with new indexes, data and information, with the aim of making data queries and the consultation of information on our daily activities, and on the level of achievement of the collection targets set by our National Collection Plan, as accessible, fast and effective as possible.

In the final part of the year we concluded our process to adjust to the new normative provisions coming into force in 2021, perfecting the adaptation of our collection plan to the new regional distribution set forth by Ministerial Decree 182/2019. Our choice to reorganise both our digital system and our National Collection Plan ahead of time allowed us to handle this transition smoothly, and are now ready to successfully face the challenges that the next few years will bring about.

Regarding our commitment to the Circular Economy, our R&D project "Rubber to Rubber" made great progress and has now entered its 4.0 stage thanks to the partnership established with two major industrial players, Versalis (ENI) and AGR. In the next few months, the project will focus on completing the rubber circular cycle by enabling the use of the devulcanised rubber directly obtained by waste tyres to make new rubber binders that can be re-employed to manufacture new tyres and other products.

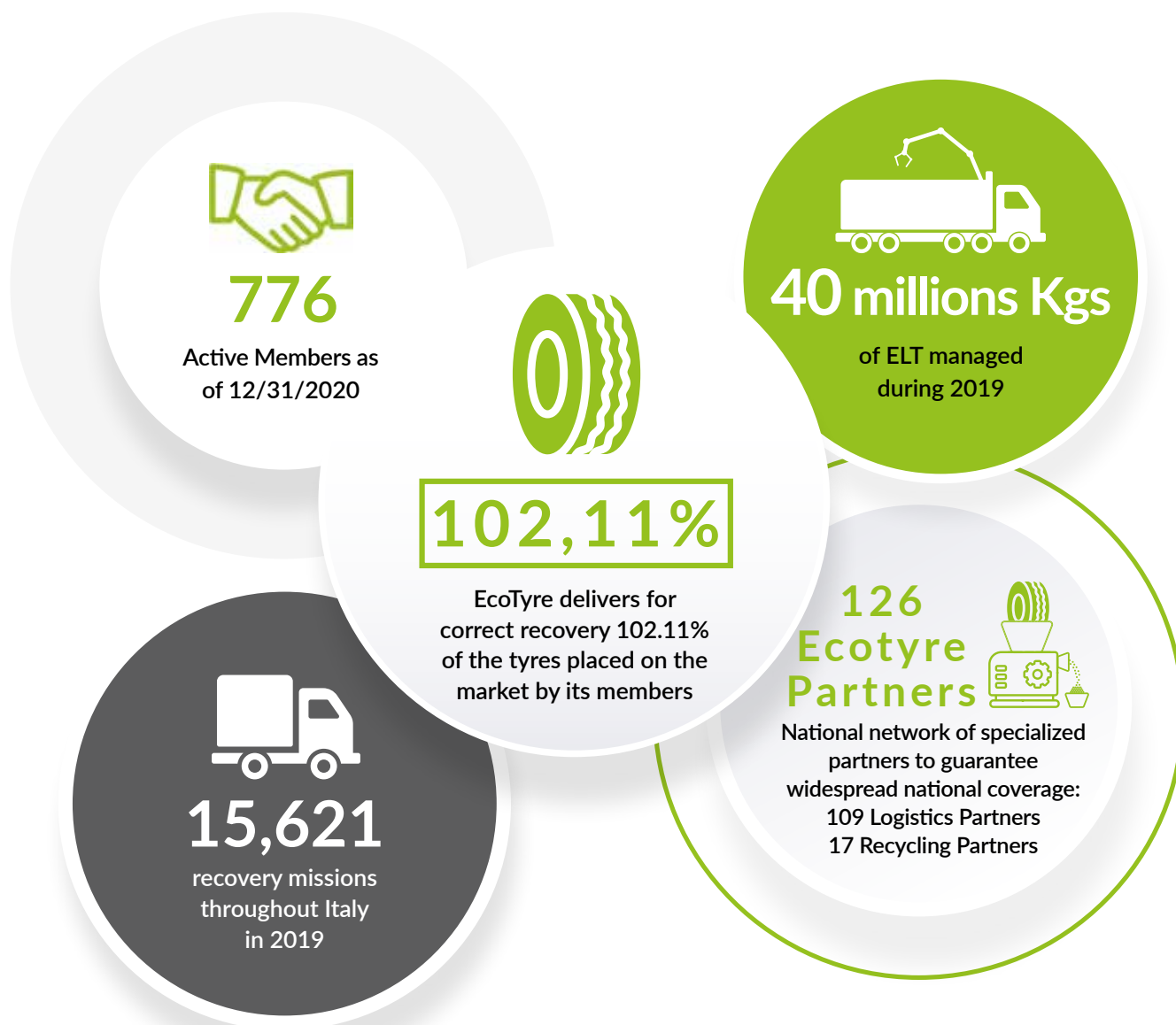
Despite the uncertainty dominating the present context, in 2021 we are determined to keep on walking the walk towards quality of service and innovation in the framework of the Circular Economy, always striving to find the right balance so as to deliver an efficient and thorough service, carry out cutting-edge research on the Circular Economy and count on sufficient levels of environmental eco-fees.

As has by now become tradition, our work is illustrated and summarised in the Annual Report. We hope the report can prove useful not only to learn about our past year's results, data and projects, but also as a tool for further consultation and monitoring thanks to the various links with QR Codes it includes. By scanning the QR Codes with their smart-phones, readers will be taken to our Portal where real time data and updates can be found.

We hope you will enjoy it.



ENRICO AMBROGIO
ECOTYRE PRESIDENT



EXTENSIVENESS

EcoTyre serves tyre dealers throughout Italy, even in the smallest or hardest to reach cities.

TRANSPARENCY

The collection data, updated in real time, are available on the Consortium website.

AFFORDABILITY

Optimizing logistics costs keeps the environmental fee competitive.

RELIABILITY

Members can count on an efficient service and a solid reporting system.

SUPPORTING TYRE PRODUCERS AND IMPORTERS SINCE
2011 WITH OUR EFFICIENT AND WIDESPREAD SERVICES

ALWAYS COMMITTED TO **R&D**

55 MILLION ITEMS DELIVERED FOR RECOVERY

ABOUT US

AT THE FOREFRONT IN WASTE TYRES MANAGEMENT AND COLLECTION AND IN THE CIRCULAR ECONOMY, THANKS TO OUR 10 YEARS EXPERIENCE IN MANAGING END-OF-LIFE TYRES AT THE NATIONAL LEVEL.

Since 2011, EcoTyre is one of Italy's leading players in the collection and management of End-of-life Tyres (ELTs). Thanks to its capacity to organise and consolidate at best its ELTs collection services, EcoTyre keeps ranking first at Italian level by number of tyre Producers and Importers choosing our consortium to handle the end-of-life cycle of their tyres. EcoTyre invested right from the start in optimising the logistics of collections, fully tracking down the flows and meeting all the targets set by the law, while maintaining a future-oriented vision through its R&D investments. This allowed us to achieve great results in the framework of sustainability and the circular economy: waste tyres may now be used to make new ones. The Consortium also maintains a strategic dialogue with institutions and our major partners at the national level, cooperating in important awareness campaigns aimed at the general public.

THE ELT COLLECTION SYSTEM



13,637 TYRE SHOPS REGISTERED FOR OUR FREE OF CHARGE PICK-UP SERVICE

109 LOGISTICS PARTNERS WORKING TO COLLECT AND DELIVER THE WASTE TYRES

17 RECYCLING PARTNER

HOW IT WORKS

A VIRTUOUS CHAIN, WITH MULTIPLE ACTORS WORKING FOR A COMMON OBJECTIVE: ENSURING ALL ELTS GET CORRECTLY DELIVERED FOR RECYCLING.

The recovery chain relies on the following actors:

- **The Producers and Importers** who entrust EcoTyre with handling the collection and treatment of the new tyres they place on the national market when at end-of-life stage;
- **The Operators** (tyre retailers, car repair shops and other businesses in the sector) that keep the ELTs in their premises when tyres are replaced, to then have them picked up free of charge;
- And **EcoTyre**, handling collection and recycling procedures at the national level. The network is organised around the principle of punctual and thorough coverage all across the Italian peninsula;
- **The Logistics Partners** pick up the ELTs from Operators and take care of transporting and delivering them anywhere in the country;
- **The Recycling Partners** take then care of the actual recovery process: they separate the rubber from the other iron and textile components and shred it into a variety of formats suitable for materials or energy recovery. The rubber granules thus obtained can be used to manufacture new recycled rubber products such as safety tiles, sound-absorbing panels, urban and sports furniture (e.g. athletics tracks), or to make new tyres thanks to the “**Rubber to Rubber**” project illustrated at page 28.

THE ENVIRONMENTAL FEE ON PURCHASED TYRES

- The amount of the fee is set by the Consortium on the basis of the overall costs incurred to ensure ELT management in full compliance with the applicable legislation as well as environmental and health obligations.
- In line with Ministerial Decree 182/19, EcoTyre applies a variable fee on the basis of the type and weight of the ELTs to be treated. Fees are reviewed on an annual basis and forwarded to the Minister for the Ecological Transition.
- The environmental fee applies also to operators established abroad and importing tyres on the Italian tyre market via online channels.
- The environmental fee must be used for not-for-profit collection activities covering the entire country.

WHAT WE DO

WE TAKE CARE OF OUR MEMBERS' COMPLIANCE DUTIES BY MANAGING THE ENTIRE RECOVERY CHAIN, FROM COLLECTION TO TREATMENT TO REPORTING, GUARANTEEING MAXIMUM EFFICIENCY AND PUNCTUALITY AND ENGAGING IN A CONTINUOUS DIALOGUE WITH THE INSTITUTIONS.

EcoTyre organises and handles the collection, delivery, treatment and recovery of ELTs on behalf of its members, the Producers and Importers accountable for ELT management by the EU principle of Extended Producer Responsibility. This means that for each and every new tyre placed on the market by an EcoTyre Member during the previous calendar year, the Consortium has to collect an equivalent ELT. And that is exactly what we strive for, i.e. guaranteeing a 100% or higher recovery rate.

Exempting members of any further obligation, the Consortium also takes care of all administrative paperwork and requirements concerning the monthly reporting of products placed on the market and the annual reporting of the ELTs collected at either tyre and car repair shops or at vehicle dismantling facilities on behalf of the ELT Committee set up by ACI-Automobile Club d'Italia.

To optimise the procedures related to entering and transmitting the data and storing all environmental fees invoices and transaction records as appropriate, EcoTyre developed and made available to its members an efficient online management platform that allowed us save time and costs. At the end of each accounting period, EcoTyre then issues a certificate of proper management to all members who met their monthly reporting and payment obligations.

In ten years of activity, EcoTyre has built important institutional relations and has become an increasingly authoritative interlocutor for the Ministry for the Ecological Transition and other public administration bodies issuing legislative guidelines on waste management; the "End of Waste" legislation on ELTs (page 30), a key norm for the development of the so-called "rubber sector" in Italy, stands as a perfect example of this.

One of our special activities, carried out within the framework of the PFU Zero project (page 24), is collecting the abandoned waste tyres reported by NGOs, local authorities and the general public. The Consortium devolves part of its operating surpluses to these efforts.

All our available resources have always been invested in the R&D area; this allowed us to achieve results that may bring about a revolution in the rubber industry, translating the key principle of the circular economy into a reality: the rubber granules produced out of waste tyres can now be suitably treated, devulcanised and reused to manufacture new rubber products such as tyres or other items. This innovative project, that has now entered its 4.0 stage, is called "Rubber to Rubber" and is illustrated in detail at page 28.



108 PERMANENT OR FIXED-TERM EMPLOYEES

13 MILLIONS € IN GENERATED VALUE

3 R&D COLLABORATORS

OUR SOCIAL AND ECONOMIC IMPACT

A TEAM OF PROFESSIONALS WITH DIVERSE AND COMPLEMENTARY EXPERTISE ALLOWS US TO DELIVER AN EFFICIENT, EFFECTIVE AND PUNCTUAL SERVICE ALL OVER ITALY.

In 2020, we employed 108 resources to achieve 100% efficiency in ELT management all over the Italian peninsula and in all Italian islands, from big cities to small towns.

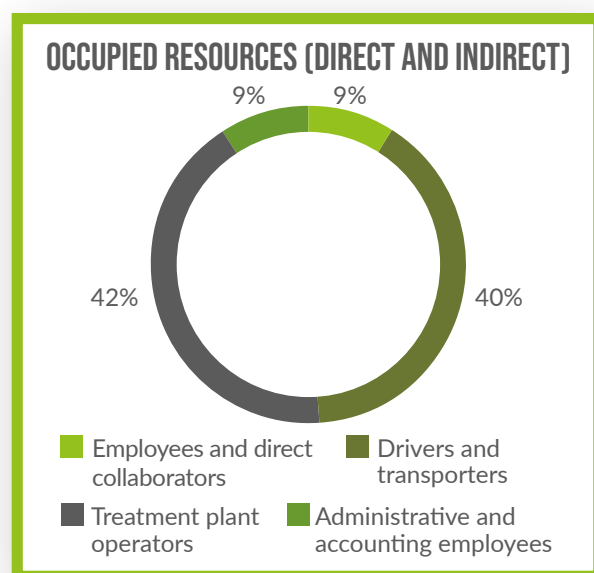
Our versatile productive structure integrates management methodologies aimed at reducing the waste of resources and enhancing operational efficiency, bringing about important social and economic benefits. A mechanism that generates an economic value of about 13 million EUR per year: the equivalent of a medium-to-big industry, and an entirely green one.

Our team, composed of ten either permanent or fixed-term employees in total, coordinates and handles all operations and related administrative procedures. EcoTyre functions through a national network comprising dozens of companies and hundreds of people involved in the collection, transport, treatment and delivery for recovery of waste tyres.

Considering the man-days required to run the entire EcoTyre's chain at best, on top of its ten full-time employees the consortium also relies on:

- 43 drivers and transporters;
- 45 treatment plant operators;
- 10 administrative and accounting employees.

Moreover, EcoTyre has 3 collaborators in charge of the R&D activities that lie at the heart of our mission.



LEGISLATIVE DECREE 231/01 GOVERNS OUR ORGANISATIONAL MODEL

**ISO 9001:2015 AND 14001:2015 ARE OUR COMPLIANCE
STANDARDS ON QUALITY AND THE ENVIRONMENT**

MEMBERS AND PARTNERS EXPRESS SATISFACTION

ACCOUNTABILITY

ETHICS, SUSTAINIBILITY AND QUALITY ARE THE PILLARS
GUIDING OUR OPERATIONS VIS-A-VIS OUR MEMBERS, CUSTOMERS,
SUPPLIERS AND THE GENERAL PUBLIC.

A Consortium as EcoTyre should not simply abide to the strict rules applicable to companies operating in the waste management industry. Responsibility towards our stakeholders and society as a whole urges us to constantly raise and improve our operative standards. To do so, we adopted a series of instruments to better evaluate, account for and fine tune our daily operations.

In the course of 2020, as envisaged by Legislative Decree n. 231 of 8 June 2001, we adopted an Organisational, Management and Control Mode defining the guidelines, operative procedures and assessment and control methodologies adopted by EcoTyre. EcoTyre's Code of Ethics, setting forth the core values of the Consortium and of those belonging to it, is an integral part of the Model. To further ensure our compliance with the chosen Model and Code of Ethics, we have also set up a Supervisory and Control Committee tasked with overseeing that EcoTyre's personnel abides to the principles and obligations laid out in the two documents.

Quality and sustainability are, on the other hand, monitored through ISO standard 9001:2015 and ISO standard 14001:2015. EcoTyre was certified as compliant to both in 2018. All of this has helped us achieving high levels of membership and partnership retention; both our members and partners seem to appreciate our competence and promptness of response, as much as the quality of our equipment and our means to communicate with members and the public.

776 CONSORTIUM MEMBERS AS OF DECEMBER 2020

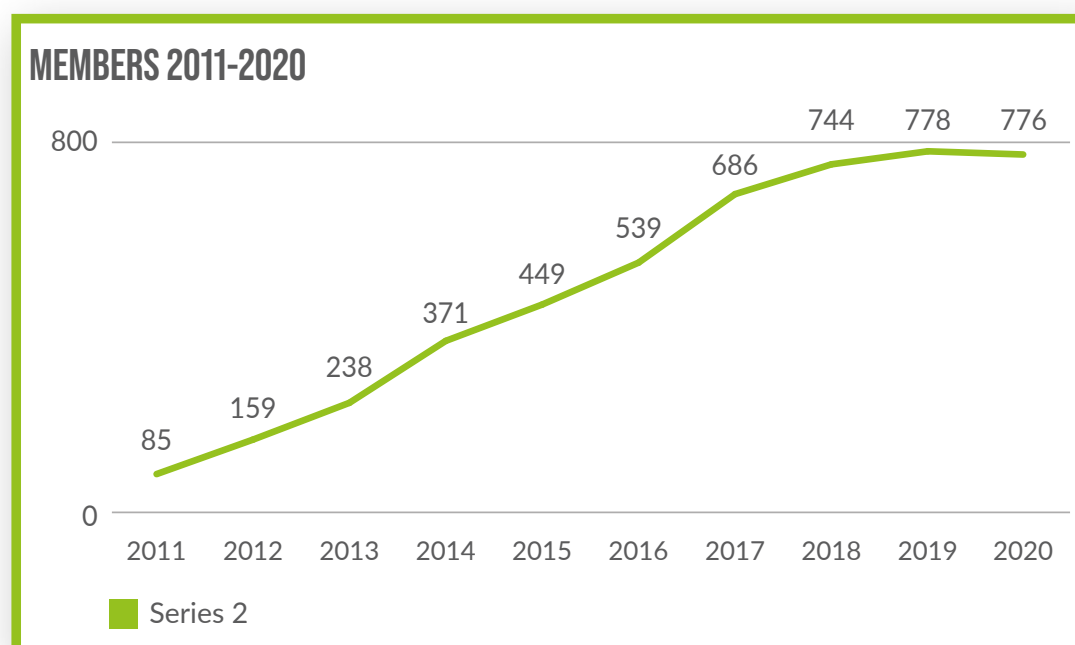
ITALIAN, EUROPEAN AND INTERNATIONAL COMPANIES CHOOSE ECOTYRE EMPHASIS

LOYALTY AND CONTINUOUS DIALOGUE WITH ALL THE CONSORTIUM MEMBERS

OUR MEMBERSHIP

OUR RELATIONSHIP WITH OUR MEMBERS IS BASED ON OUR CAPACITY TO SATISFY EVERYONE'S NEEDS, BE THEY MAJOR INTERNATIONAL PRODUCERS OR SMALL RETAILERS.

EcoTyre remains Italy's largest Consortium by membership in the sector. A sound and consolidated leadership position, despite the challenges caused by the Covid-19 global pandemic. Our sector was one of the many affected by the economic crisis, with several businesses being forced to liquidate their assets and abandon the market.



ECOTYRE LIVE
Scan the QR code
to check the members
list updated in real time



15 DIFFERENT ECO-FEE CATEGORIES

OPERATIVE AND MANAGEMENT COSTS CUT BY 30% IN TEN YEARS

LOGISTICS COSTS CONSTANTLY OPTIMISED BY ENHANCED EFFICIENCY

THE ENVIRONMENTAL FEE

WITH NEW RULES TO CALCULATE THE FEE PAID BY CONSUMERS NOW IN PLACE, WE KEEP ON STRIVING TO MAKE SURE IT REMAINS AFFORDABLE AND COMPETITIVE.

As of 2020 the former Ministry of the Environment, now Ministry for the Ecological Transition, has reviewed the categories used to determine the environmental fee due for the various types of tyres placed on the market. The applicable categories are now 15 in total, and no longer depend on the type of vehicle the tyres are fitted on but exclusively on to the product's weight.

This forced us to radically reorganise our procedures and network. However, such operative and management challenges did not affect the **efficiency of the Consortium's collection system**, as we managed to optimise our logistics volumes and costs and yet maintain a **high bar in terms of the balance between efficiency of service and environmental recycling quality**, so as to guarantee Ecotyre's competitiveness to the advantage of all members collecting and paying the fees covering our activities.

A COLLECTION RATE EXCEEDING OUR TARGET BY **+2.11%**

40,486,339 KILOS COLLECTED IN 2020

407,969,540 KILOS OF ELTS DELIVERED FOR RECOVERY IN 2011

COLLECTION IN ITALY

THANKS TO ITS NATIONAL COLLECTION PLAN, ECOTYRE MANAGES TO DELIVER FOR RECOVERY EVEN MORE WASTE TYRES THAN WHAT THE LAW WOULD REQUIRE.

In the course of 2020, Ministerial Decree 182/2019 entered into force. One of the novelties is that the annual share of waste tyres that consortia such as EcoTyre must collect and deliver for recovery has been raised. The applicable target has been raised from 90% of the weight of new tyres placed on the market by registered members to 95%, taking the weight loss caused by tyre tread wear into account.

EcoTyre has consequently reviewed its National Collection Plan and promptly adjusted it to the new normative requirement. As a result, in 2020 we collected 40,486,339 kilos in total; of these, 37,355,929 kilos were collected by the national tyres replacement network while the rest was collected by ACI dismantlers or in the context of the voluntary raise-awareness activities organised by the PFU Zero project.

Looking at our entire decade of activity, between 2011 and 2020 we collected over 405 million kilos of waste tyres.



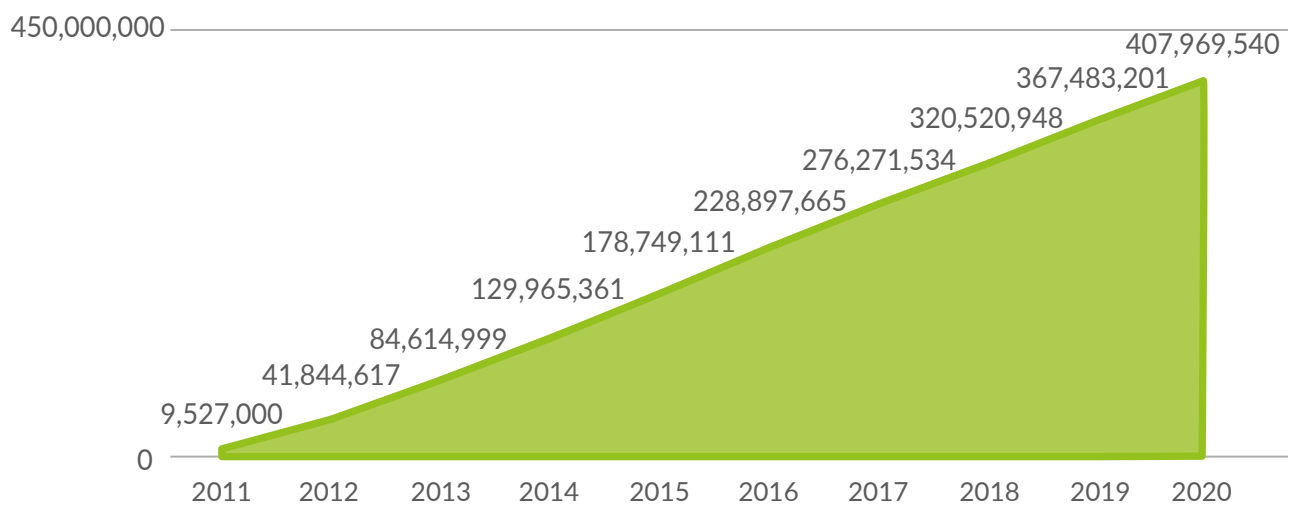
55 MILLION TYRES DELIVERED FOR CORRECT RECOVERY OVER 10 YEARS. IF SET IN A ROW, THEY WOULD TRACE THE ENTIRE CIRCUMFERENCE OF THE EARTH AT THE EQUATOR.

100%



ECOTYRE
COLLECTS MORE
ELTs (**102.11%**) THAN
THE TYRES PLACED
ON THE MARKET BY
ITS OWN MEMBERS

CUMULATIVE COLLECTION 2011-2020 (kg)



15,621 COLLECTION MISSIONS CARRIED OUT ALL OVER ITALY IN 2020

2,591 KILOS THE AVERAGE WEIGHT PER MISSION

47 PFU ZERO MISSIONS

OUR OPERATIONS ON THE GROUND

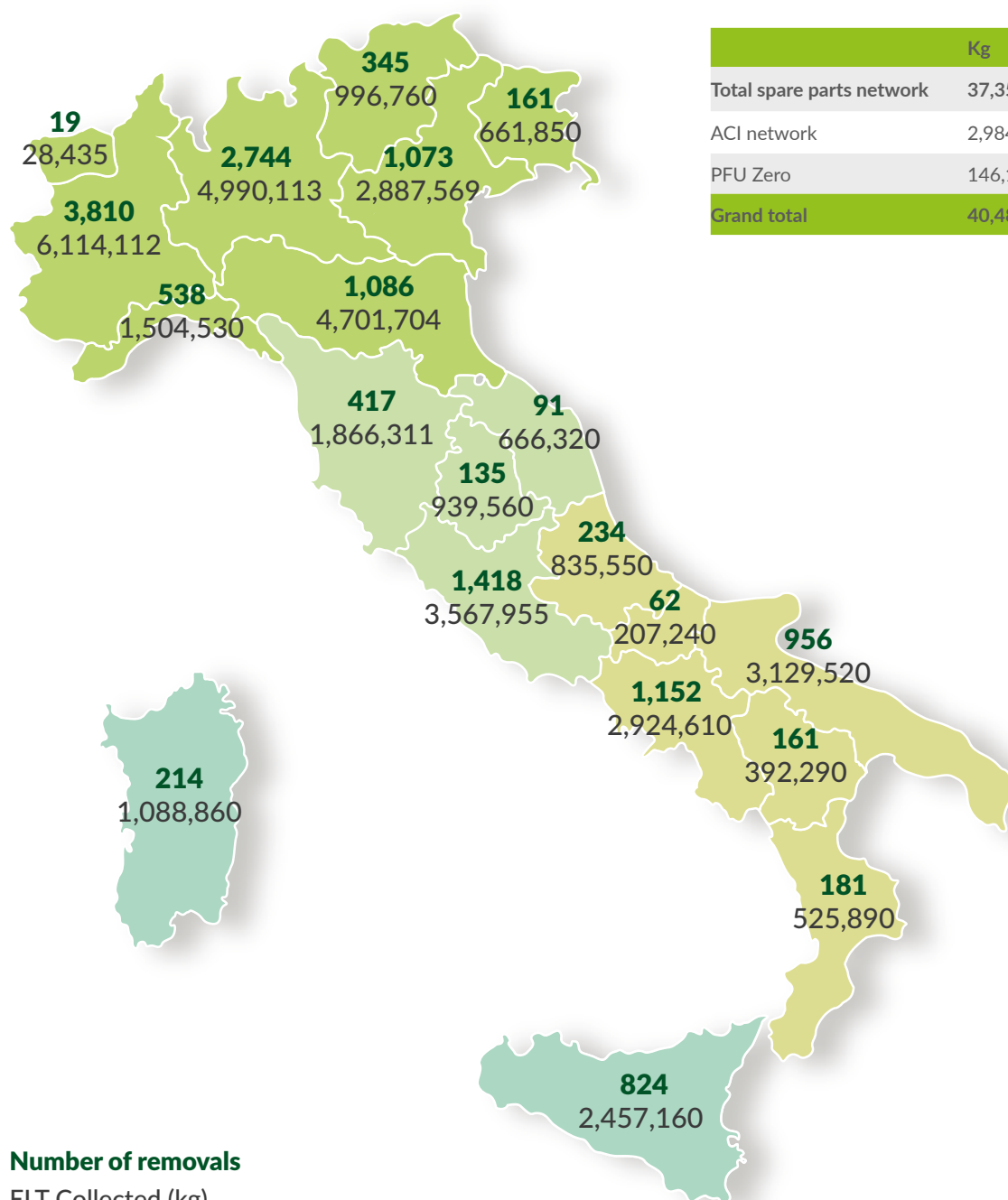
ALL ITALIAN REGIONS ARE COVERED BY OUR EFFICIENT AND WIDESPREAD SERVICE FOR THE COLLECTION AND DELIVERY FOR RECOVERY OF ELTS.

In the course of 2020 EcoTyre successfully carried out 15,621 collection missions. 14,916 of these were carried out at tyre and car repair shops, 675 at ACI vehicle dismantlers while 47 took place in the framework of the PFU Zero project's special activities. In total, 40,486,339 kilos of waste tyres were delivered for recovery.

Collection services are organised at provincial and regional level. Volumes are broken down according to the collection targets set forth by the law; seasonal trends in the requests placed by Italian tyre shops are also taken into account.



ECOTYRE KEEPS ON ORGANISING ITS NATIONAL COLLECTION PLAN TAKING THE NEEDS OF SMALL TYRE RETAILERS, INCLUDING THOSE LOCATED IN THE REMOTEST AREAS, INTO ACCOUNT.



ECOTYRE LIVE

ON ECOTYRE'S WEBSITE YOU CAN FIND REAL-TIME DATA ON ALL THE COLLECTIONS WE CARRY OUT. A SIMPLE AND EASY WAY TO GUARANTEE OUR CONSORTIUM'S FULL TRANSPARENCY.

In recent years EcoTyre invested significantly to build a punctual, prompt and transparent reporting system that would allow us to communicate our achievements easily and intuitively. The EcoTyre Live dashboard that is available on our website allows users to visualise all collection-related data sorted per month, geographical area, ELT type and shop type.

The data provided is always also benchmarked to the target set for each month or selected area. This makes it easy to compare the results achieved with their respective legal targets. Our expertise in logistics allowed us to succeed once again this year in maintaining a collection ratio slightly exceeding the threshold set forth by the law.



The transparency portal on the homepage of the website.

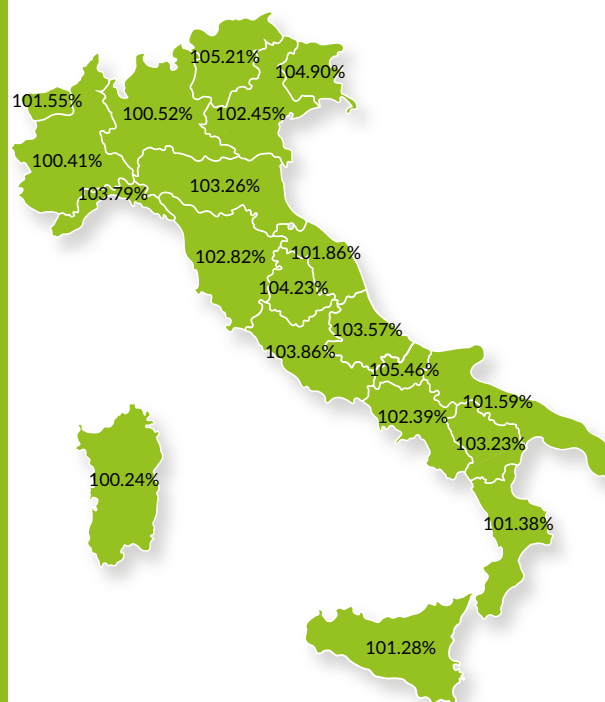
ECOTYRE LIVE
Scan the QR code
for collection data
updated in real time



FOCUS ON COLLECTION TARGET



TARGET ACHIEVEMENT BY REGION



13,637 REGISTERED TYRE AND CAR REPAIR SHOPS ALL OVER ITALY

93% OF VEHICLES IN OUR FLEET ARE EURO 5 OR EURO 6

64% OF OUR COLLECTIONS SERVE SMALL TYRE SHOPS

ECOTYRE PARTNERS

ECOTYRE'S OPERATIVE MACHINE RELIES ON 126 OPERATORS WORKING ON A DAILY BASIS TO MAKE SURE WASTE TYRES GET COLLECTED AND DELIVERED FOR RECOVERY.

Every day, 109 Logistics Partner collect on EcoTyre's behalf the waste tyres at the required pick-up point and deliver them to the companies in charge of their treatment and recovery. The latter act as our Recycling Partners, selected by EcoTyre to prepare ELTs ahead of their subsequent recovery as materials or energy.

This network allows us to offer a widespread and sustainable collection service. Not only because we adopt a proximity principle but also because we choose to exclusively rely on environmentally-friendly partners. **For example, more than 90% of the trucks used to transport ELTs for us are either Euro 5 or Euro 6, with the latter increased by 28% with respect to the previous year.**

Punctuality of collection is paramount for EcoTyre: according to our survey, in the case of urban tyre shops almost 84% of collections were carried out by the scheduled date, and another 8% within 5 days from it.

Another of our strengths is our choice to place great focus on small-size tyre retailers, despite the higher costs involved as tyres need to be picked up more frequently from such undertakings. Nevertheless, thanks to our highly efficient logistics network, we managed to find an optimum balance at service distribution level vis-à-vis the various types of businesses we serve. **In 2020, 64% of collections covered pick-up requests involving less than 300 tyres.** 24% of collections covered medium-seized volumes (300 to 600 ELTs) and only 12% bigger ones (more than 600 ELTs).

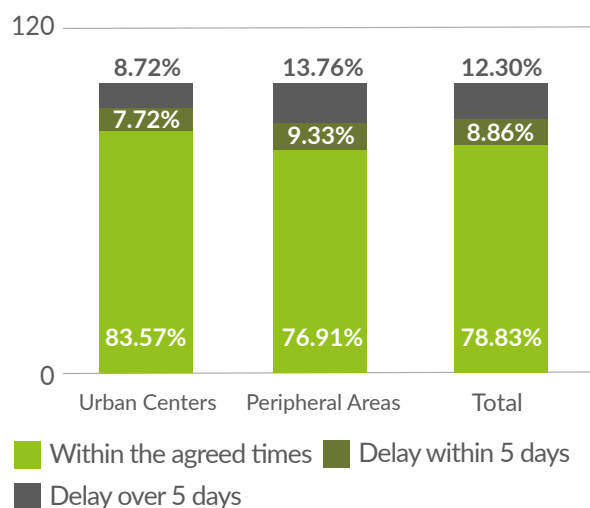
**THE NETWORK OF COLLECTION POINTS WAS EXPANDED
BY ALMOST 1,000 UNITS IN 2020.
HAVING ACHIEVED AN 84% INDEX OF PUNCTUALITY.**

GROWTH OF AFFILIATED REMOVALS 2011 - 2020

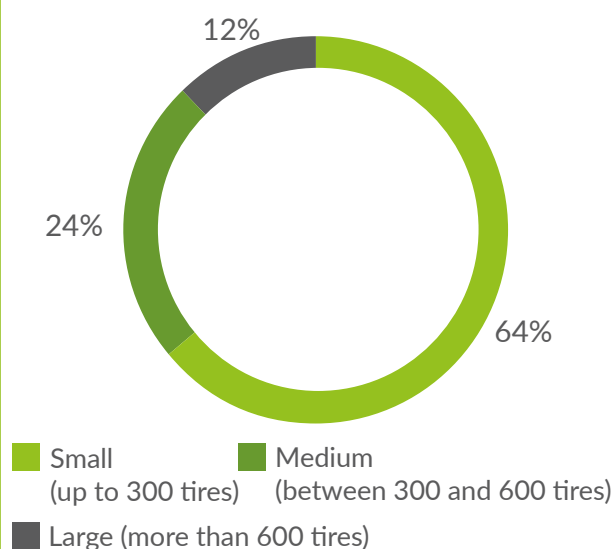


93% of EcoTyre fleet
consists of Euro 5
or Euro 6 vehicles

PUNCTUALITY INDEX (SHARE OF COLLECTIONS CARRIED OUT AS SCHEDULED)



REMOVALS BY TYRE SHOP SIZE



675 COLLECTIONS AT ACI'S VEHICLE DISMANTLERS

2,984,310 KILOS OF ELTS COLLECTED ON BEHALF OF THE ELT COMMITTEE

8 YEARS OF COLLABORATION WITH ACI

COLLECTION AT ACI'S VEHICLE DISMANTLERS

WHEN TYRES ARE FITTED ON NEW CARS, THE COLLECTION MECHANISM WORKS DIFFERENTLY THAN IN THE CASE OF TYRE REPLACEMENT. ECOTYRE COVERS THIS COLLECTION CATEGORY ON BEHALF OF THE ELT COMMITTEE.

The ELT Committee was set up by ACI, Italy's Automotive Club, and coordinates the collection of waste tyres at all car dismantlers registered on the Motor-vehicles Public Register. This is in line with Ministerial Decree 182/2019, that requests a dedicated recovery chain for the tyres that are placed on the market already fitted on newly registered cars.

EcoTyre is one of the partners chosen by the ELT Committee to cover this collection category. In 2020, we carried out 675 collection missions for a total of 2,984,310 kilos of ELTs delivered for recovery.

Region	ELT COLLECTED (KG)	NR REMOVALS
ABRUZZO	5,960	1
BASILICATA	0	0
CALABRIA	40,540	8
CAMPANIA	5,660	2
EMILIA ROMAGNA	1,170,120	231
FRIULI VENEZIA GIULIA	32,450	6
LATIUM	154,460	37
LIGURIA	155,210	40
LOMBARDY	64,390	16
MARCHE	55,160	9
MOLISE	17,420	6
PIEDMONT	109,840	31
APULIA	382,900	98
SARDINIA	347,100	68
SICILY	3,440	2
TUSCANY	118,340	32
TRENTINO ALTO ADIGE	44,640	12
UMBRIA	1,480	1
VALLE D'AOSTA	0	0
VENETO	275,200	75
GRAND TOTAL	2,984,310	675



THE PFU ZERO PROJECT

VOLUNTARY AND EXTRAORDINARY REMOVALS, MADE IN COLLABORATION WITH ENVIRONMENTAL ASSOCIATIONS AND LOCAL AUTHORITIES THROUGHOUT ITALY.

“PFU Zero” (ELTs Zero) is the project launched by EcoTyre as a voluntary effort to map abandoned waste tyres dumps and use our financial surpluses to help eradicating them. The project is carried out in cooperation with a number of environmental organisations and local authorities. These firstly locate and report the dumps on the www.pfuzero.ecotyre.it website and then clean them up, counting on us to come and pick-up all waste tyres and deliver them for the recovery free of charge.

Almost 2.5 million tyres were delivered for recovery over the past 8 years thanks to the project; and with 47 collection missions carried out in 2020, we have now reached the target of more than 200 successfully completed actions.

Last year our cooperation with Legambiente was particularly fruitful: in the framework of their “Puliamo il Mondo” (Clean Up the World) initiative, this environmental organisation mobilised its volunteers in 40 different municipalities, mainly located in Southern Italy.

Also our collaboration with Marevivo continued, with the PFU Zero campaign along Italian shores; the campaign aims at removing waste tyres from beaches and seabeds thanks to the cooperation of Marevivo’s divers branch and other local diving businesses.

All these collection missions were accompanied by awareness-raising activities mainly targeted at a younger audience, so as to educate them on the proper way to manage and recover ELTs and on their recycling potential.

ECOTYRE LIVE

Scan the QR code and discover
all the PFU Zero Interventions

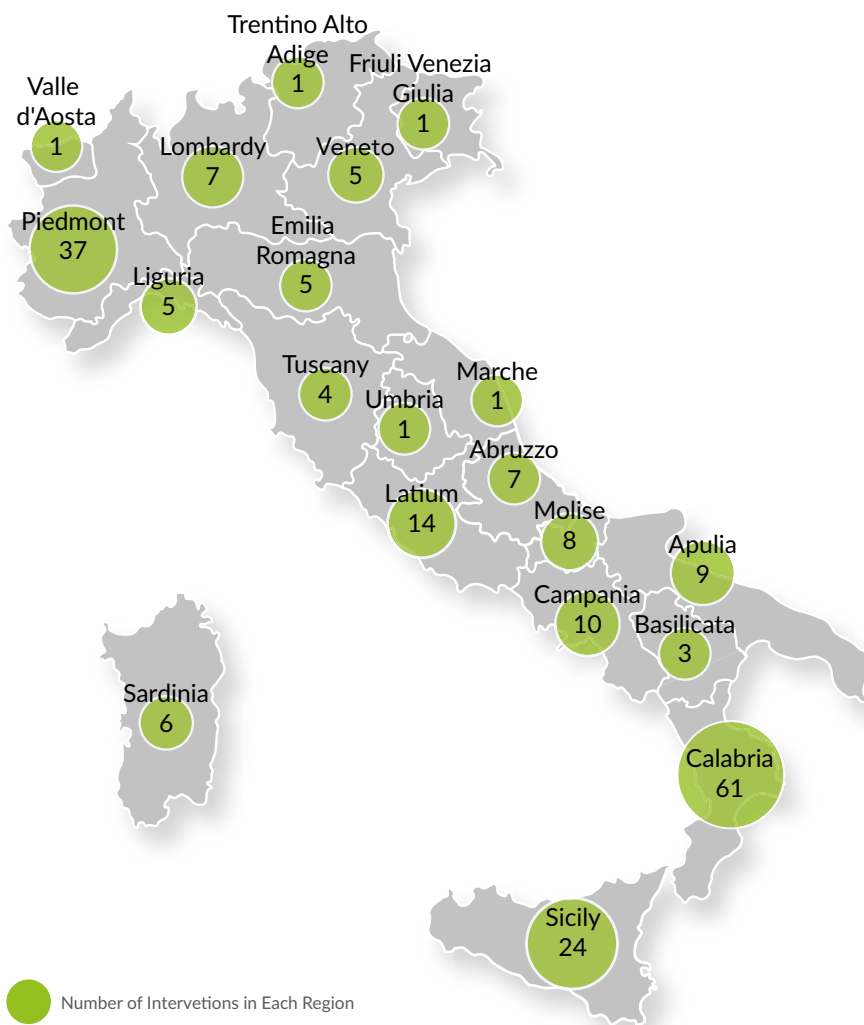




Lampedusa (AG)



Isola d'Elba (LI)



Campoli Appennino (FR)



Reggio Calabria



Lipari (ME)

70% OF A TYRE'S RUBBER IS RECYCLABLE

45% OF ECOTYRE'S ELTS ARE DELIVERED FOR MATERIAL RECOVERY

EVERY RECYCLED WASTE TYRE AMOUNTS TO 2 KILOS LESS OF CARBON DIOXIDE

THE BENEFITS OF RECOVERY

ECOTYRE IS COMMITTED IN R&D IN ORDER TO CREATE NEW MARKETS FOR RECYCLED RUBBER.

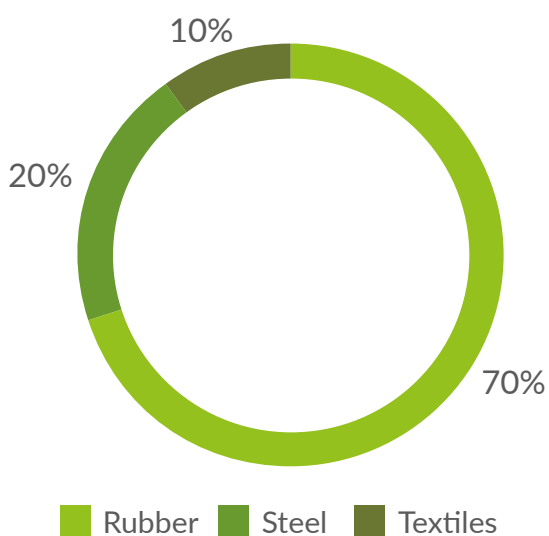
Recycling makes it possible to breathe new life into the materials contained in tyres. These are made by over 70% of recyclable rubber, by 20% of steel and by 10% of recoverable textile fibres.

The rubber can now be devulcanised and reused to produce new tyres thanks to the innovative "Rubber to Rubber" project promoted by EcoTyre. A significant achievement of our substantial efforts in the R&D sphere, aimed at creating new markets for the rubber that recycled ELTs can provide. At the moment, not all the rubber powder produced by treating ELTs can actually be used to manufacture other rubber products; part of it, with volumes depending on market fluctuations, is still only recovered in the form of energy.

Using this rubber powder to produce new tyres would be an environmental achievement, being it estimated that recovering materials rather than energy out of waste tyres means saving two kilos of carbon dioxide per ELT.

ELTs CAN BE COMPLETELY RECYCLED AND, THANKS TO THE "FROM RUBBER TO RUBBER" PROJECT, USED TO PRODUCE COMPOUNDS FOR NEW TYRES.

COMPOSITION OF A TYRE

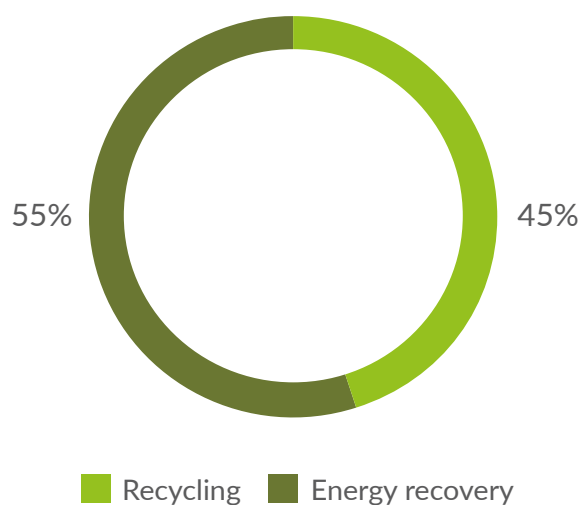


ELTs are **100%** recyclable

45%

ELTs sent to recovery of material

TYPE OF RECOVERY



RUBBER TO RUBBER

THE PROJECT ENTERS ITS 4.0 STAGE AND, WITH VERSALIS,
THE INDUSTRIALISATION PROCESS BEGINS.

It all started back in 2016 with the “Rubber to Rubber” project coordinated by EcoTyre. Its aim was visionary and highly ambitious: to make it possible to reuse the rubber directly obtained from the ELTs we collected in Italy to manufacture new tyres or other rubber products, by assembling the best or more promising Italian technologies.

We succeeded in the first step when a binder containing the devulcanised rubber was developed. The following step was applying such binder on tyre treads. We then moved on to the road testing phase, which proved the utter technical and financial sustainability of the project.

Now, thanks to the agreement between AGR and Versalis, Eni's chemical undertaking, we have fully entered the 4.0 stage. Versalis and AGR are cooperating to develop technological solutions and applications aimed at increasing and improving the reuse of recycled rubber, and notably of elastomers usable to manufacture new products including new tyres.

Versalis, in its Ravenna and Ferrara research centres, is thus working to perfection the formula and technology behind the new products that will be selected on the basis of the identified possible applications. These will be marketed as the Versalis Revive® product line.

20% of recycled
rubber is found
in the green
compound

1.5 million km
of road traveled
during tests

ECOTYRE LIVE
Scan the QR code
for the latest news
on the From Rubber
to Rubber project



Target 2020-2022
1,000 vehicles with
green tyres

NORMATIVE UPDATES

IMPORTANT CHANGES OCCURRED IN THE WASTE TYRES SECTOR -
FROM THE "END OF WASTE" DECREE TO NEW APPLICABLE LEGISLATION.

Thanks to the continuous dialogue, communication and awareness-raising efforts of EcoTyre and other national consortia on the potential and criticalities of ELT management, the competent institutions eventually paid attention to our sector.

Sergio Costa, Minister for the Environment and for the Protection of Land and Sea within Conte's second government, intervened in 2020 with two ad hoc provisions on ELTs.

The "End of Waste" Decree on the Vulcanised Rubber of End of Life-ELT Tyres (n. 78 of 31 March 2020) at last defines waste tyres recycling as a pillar of the circular economy of the Italian tyres industry.

EcoTyre looks at the government's action as a positive game changer that can push innovation considerably further in an already efficient sector. It constitutes an important drive to implement innovative and cutting-edge projects as the "Rubber to Rubber" one. And it is also a simplification measure that can foster the fast achievement of sustainable results to the benefit of both the environment and our country's industrial fabric.

The second crucial provision that was passed is the Directive on ELT Collection and Management Obligations prot.n. 103883/MATTM of 11/12/2020. The directive defines, for some of the players in charge with ELT management in Italy (namely, for any associative or individual entity handling more than 200 tonnes of waste tyres per year), the operative standards to be adopted so as to tackle the emergency caused by the accumulation of End-of-Life Tyres in Italy.

The provision obliges all entities entrusted with waste tyres collection to collect 15% ELTs more than the respective target calculated on the basis of Ministerial Decree 182/2019. The established environmental fee may be consequently adjusted as appropriate. This additional collection quota may in the future be further raised to 20% by a new provision to be issued accordingly.

The problem of the accumulation of end-of-life tyres by Operators has been well known for a long time. "Cambio Pulito" ["Clean Change"], the first Italian whistleblowing platform in this sphere, funded by EcoTyre, shed light on the fact that thousands of tonnes of tyres are illegally placed on the market every year; this also means that the environmental fees for the collection and recycling of waste tyres are not paid for, that VAT is evaded, and that the waste tyres are either dumped in the environment or left at tyre retailers.

Since the very year it was founded, EcoTyre collected more waste tyres than the applicable amount of new ones purchased by consumers and allocated a significant share of its financial surplus to special collection interventions. For us, collecting more ELTs than what required by the applicable legal targets has always been a core priority. We thus welcome the provision issued by the Ministry as a fundamental one to resolve a long-standing problem affecting consortia as ours as much as operators, citizens and institutions.



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