



ANNUAL REPORT 2016

ecoTYRE

La Gestione Sostenibile per i tuoi PFU



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INTRODUCTION



2016 was very positive for our consortium which has seen continued growth in its collections. The combined collections: normal collections, extraordinary collections for the PFU Zero project and collections from ACI Car dismantlers have exceeded 50 million kilograms. This success is due to an increase in the number of members, which at the end of last year had reached 564, maintaining EcoTyre's position as the largest organisation in the sector in terms of the number of associated companies.

This quantitative growth is accompanied by a growth in quality of the work in the field. A quality that we are working towards getting certified. In 2016, we began procedures to conform to the ISO 9001 & 14001 standards. From an operational point of view, our focus for the organisational and logistic network has been to undertake a greater number of collections from regions in southern Italy. These efforts have paid off permitting us to triple the collections in the south, taking them from 3.3 million kilograms in 2015, to 10 million kilograms this year. It has taken an enormous effort, particularly in Campania which quintupled its collections. This significant improvement is hugely motivating for the business community that wants to work and grow sustainably for the environment.

The voluntary action we generated through PFU Zero (ELT Zero) is also particularly satisfying. PFU Zero is run in partnership with Legambiente, Marevivo and numerous Italian municipalities and the data from these collections is highlighted in a separate section. The number of extraordinary collections are starting to reduce due to a reduction in fly-tipped tyres which could not be better news. However, a critical situation still remains in the areas where logistics are more complex. Here we have decided to provide greater continuity for the interventions which has led to a protocol being signed with the Islands of Pantelleria, Ustica and Lampedusa to guarantee regular collections for ELTs, in collaboration with Marevivo.

At the end of 2016, the foundations were laid for a coordinated effort to combat the problem of ELTs over and above the amount of new tyres placed on the market. Unfortunately, we are aware that ELTs appear on the market which have not come through regular tyre sales which means that when they were purchased no environmental fee was paid. In 2016, to prevent them remaining in the environment, we began collecting them and we also began working with other consortia and artisan associations to create a system to tackle the illicit practices that cause this problem.

These are important steps in our journey to reduce illegality and improve sustainability, a journey made possible through our hard work and passion. This report highlights our most significant initiatives for the benefit of our members and partners.

Enrico Ambrogio
EcoTyre President



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THE ECOTYRE CONSORTIUM

THE ROLE OF ECOTYRE

In EcoTyre's six years of work, it has consolidated its role in the sector of the Italian circular economy, and has become one of the most important organisations that manages End of Life Tyres (ELTs), and the leading consortium in terms of the number of members it has.

EcoTyre maintains a strong focus on the needs of each of its members and this makes EcoTyre particularly efficient in offering a timely and fine-tuned service on a national scale. The collection services undertaken at tyre shops and operators are conducted throughout the country and are complemented by a management, administration and accounting systems for end-of-life-tyres that guarantee its members are working with full legal compliance.

Thanks to our specialist logistic expertise and the advanced software and management system we provide, EcoTyre is able to keep costs down. As a result, we have an environmental fee that is one of the most competitive in Italy and, above all, commensurate with the quality of the services it provides.

Furthermore, the consortium represents its members to the key institutional players, protecting their interests and promoting the principles of legality and fair competition, helping to ensure those who flout the rules do not have an unfair competitive advantage.

Inevitably, the effectiveness of the whole system is based on the sustainable management of waste: limiting fly tipping or the sending of ELTs to substandard forms of recovery. In terms of its operational management, EcoTyre supports numerous awareness-raising initiatives to ensure that the public, the operators and stakeholders work together to achieve the consortium and its members' chief objective: send ELTs for correct recovery.

HOW IT WORKS

EcoTyre's logistics networks permit the punctual collection of ELTs from tyre centres, repair shops, and every operator that replaces consumers' tyres.

Its logistics vehicles respond to direct collection requests (or in some cases regular scheduled collections) from the collection points. From here, the ELTs are weighed and sent to storage areas where they are sorted according to type and then transported to plants where they are shredded.

Then the majority of the shredded material is sent to be recycled, with the remaining proportion being sent to energy recovery. EcoTyre carefully selects the treatment plant so as to best guarantee the maximum cost effectiveness and respect for the environment in every phase of the operation.

*Flows Through
the ELT Management
Chain*

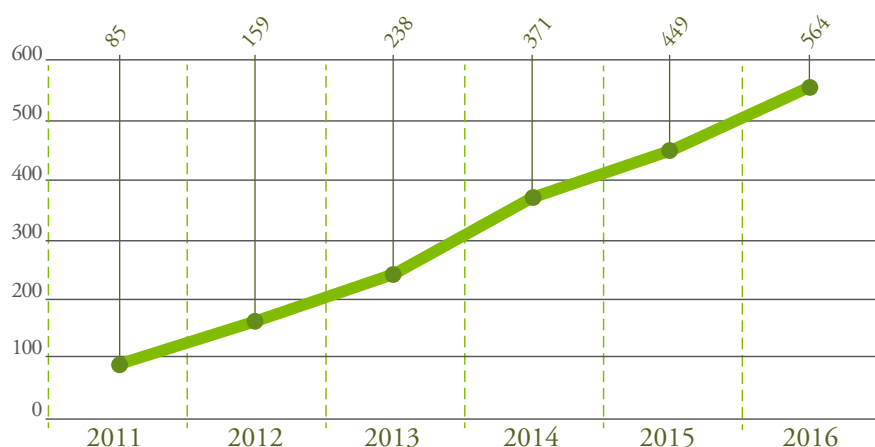
THE COLLECTION SYSTEM



MEMBERS

For the seventh year running, the number of EcoTyre Members has increased. On 31st December 2015, there were 449 active members, at the end of 2016, there were 564. This 25% increase demonstrates EcoTyre's capacity to attract foreign and Italian businesses and gain their trust, thanks to its efficient operational management, the punctuality with which it fulfils its bureaucratic procedures, and last, but not least, its cost competitiveness.

Increase in Members 2011-2016



Membership list
updated in real-time
(today over 600)
is available on
www.ecotyre.it

2G Gomme	3D	4 Ruote	A.G.O.A.R.
Abitauto	Agrotyre Pneumatici	Al Box	Al-Fra
Albertone Gomme	Alfa Gomme Car	All Tyres	Alleruzzo Gomme
Alp-Pneus	Alpi Gomma	Alpigomme	Altapneumatici
Alto Vergante Pneumatici	Altoli Roberto & C.	Ambrogio Trasporti	Andrea De Tata
Angeli Gomme.	Anisetti Pierpaolo & Tartaglia Gian Carlo	Antonelli Emanuele	Antonelli Samuele - Antonelli Gomme
Aran Gomme	Arbus Gomme	Area Gomme	Area Corse Event
Asso Gomme	Auto-Tir	Autoaccessorio Polesano	Autocarrozzeria Barison Nico
Autofficina Bernardini D. & C.	Autofficina Bs	Autofficina Cagnolin	Autofficina ELli Frison.
Autofficina Cacciamani	Autofficina Grassi Adolfo	Autofficina Milano	Autofficina Quadrifoglio
Autogomma Florio	Autoklaus	Autonord	Autopartstrading S.
Autoriparazioni Foppiani	Autoservice S.	Autoservizi Dalla Pola	Autotelser
Autovillage	B.S. Pneumatici	Baldini Enzo & Giuseppe	Barani Rino & C.
Baratti Angelo	Barbieri Danilo & C.	Barlera Gomme	Bavaria
Bbm	Bcs	Be.Ca. Gomme	Bernard Claudio Motors

Bf Gomme	Biagio Sabatino	Bieffe Distribuzione	Bmw Italia
Bonetto	Borrello Giovanni Gommista	Bortignon & Basso	Botol Car Service
Bottari	Bozzato Turibio	Bpa	Bregolato Gomme
Brentagomme	Bricherasio Gomme	Bruno Gomme	Brusamarello Gomme Schio
Brusamarello Gomme Thiene	C.M.C.	C.R.A.	C.R.A.
C.S. Group	Caiola Sergio	Caller	Campo Gomme
Candela Gomme	Car Gomme	Carmix	Carpi Gomme
Carrozzeria 2000	Carrozzeria Casal	Carrozzeria Quadrifoglio	Casa Del Pneumatico
Castagna Moto	Catalano Nunzio & C.	Cavagion Roberto	Cdp Group
Cecchinato Pneumatici	Cento Gomme	Central Car	Centrauto
Centro Della Gomma	Centro Gomme	Centro Gomme	Centro Gomme
Centro Pneumatici Ladispoli	Centro Pneumatici	Centro Revisioni Forevol	Centropneus
Cerberus S.	Cherasco Pneumatici	Ci. Giordano	Ciaramitaro Gomme
Ciclomotoforniture Mandelli	Cielle	Clubgomme	Commercial Pneus Service
Commerciale Mattarollo	Comparin Gomme	Consorzio Autoriparatori Cle-Ma Car	Consorzio Gommisti Sicilia
Cooper Tire And Rubber Company Italia	Corsalini Gomme	Cova Gomme	Crea Antonio
Cremascoli Gomme	Crimar W.S.	Cristofoli Gomme	Cumiana Gomme Group
Cvm	D'inca'	D.P.M.	Dallera Gomme
Danieli Nicola	Dbg Pneumatici	De Biasi Giuseppe	De Gregorio Guido
Deflorian Marino	Delta Gomme	Delticom Ag	Di Benedetto Leone
Di Cosmo Gomme	Di Gennaro Pneumatici	Dikabo Italia	Dml Auto Service
Dmo	Do.Car	Donati Gomme	Douglas Wheel
Duca Gomme	Duchetti Carmela	E-Comm. Pneumatici	E.G.O.L. Group
E.P.T.O. Electronics	Effegomme	Egimotors	Elite Auto
Elleci Pneumatici	Emak	Emmea	Erinnio Michele
Ermes Gomme	Esquilino Gomme	Ettorre Gomme	Eurotire
ELli Bassani	ELli Bini	ELli Chiarulli	F1 Cerchi e Pneumatici
Fabbrizzi	Falcopneus	Farcogomme	Fastecom
Fcm	Feroci	Ferro Ampelio & C.	Fi.Ff

Fiaba	Fincar	Fiorello Ricambi	Flavio Gomme
Florian German	Foltran Service	Fontana Pneumatici	Fortuna
Franco Gomme	Frisiko Pneus	Galasso Andrea	Garage Centrale
Garage Europa Holzer	Garage Frei	Garage International	Garage Lomellina
Garage Staggl	Gasperini Gomme	Gb Car	General Motors Italia
Gfi	Ghibauda Aldo	Giacobazzi Gomme	Giacobazzi Gomme
Giacomelli Paolo	Giaro Pneumatici	Gino Solimene	Giordangomme
Giordani	Giordano Fabrizio	Giudici Gomme	Giuliani Gomme
Global Parts Diffusioncar	Goldoni	Gomma On Web	Gomma Service Adl
Gommamico	Gommaster	Gommauto Bazzoni	Gommauto
Gommauto	Gomme Auto	Gomme Industriali	Gomme Marostica
Gommenonsolo	Gommista B. & B.	Gommista Marco Cellucci	Gp Gomme
Granit Parts & C.	Grifoni Gomme	Grisignano Gomme	Grosso Edmondo
Gruber	Gruppo Minitop	Guastalla Pneumatici	Guerra Elfsio & C.
Gufler Helmut	Guglielmi Sport Kit	Guidetti Luciano	Hankook Tire Italia
Hardgreen	Honda Motor Europe Ltd - Italia	Idealgomme	Igas
Il Gommista	Innocenti Pneumatici	Innovabox	Inter Cars Italia
Interprogram 2000	Iorauto	Iorio Gomme	Ipergomme
Irgom	Irsara	It Ruote.Com	Italdidra
Italgomme Pneumatici	Italgomme	Italtire	Italytyre
Ivangomme	Izalink	J.Oberrauch Kg	Jl Racing
King Regeneration	Klaus Pittschieler Karosserie	Komland	Kramp
Ks Corporation	La Casa Delle Ruote	La Coperton	La Nuova Pneus
La Picena Pneumatici	Lamezia Gomme	Laneve Pneumatici	Langa Pneus
Largherpneus	Larizza Antonio	Larsson Italia	Laterza Gomme
Lavelli Gomme	Lerma Gomme	Lg Pneus	Liebherr Emtec Italia
Lionetti Gomme	Lo Pneumatico	Lora	Lorenzetti C. & A.
Losavio Center	Luretta Gomme	M.A.F.	M.C. Gomme
M.G.	M.M. Automobili Italia	Mab Pneumatici S.	Maestrelli Gomme
Magaldi	Mahindra Europe	Mai Italia	Mak

Malaguti	Malatesta Sud	Malz	Mantoan Alberto
Marchesini Pneumatici	Marini	Mariolino Gomme	Marsiglia Piero Luciano
Martinello	Mascitti Gomme	Masiero Gomme	Max Auto Reifencenter
Max Solutions	Max Tyre	Mazara Gomme	Md Distribuzioni
Mec	Medici Gomme	Mestrina Gomme	Mettifogo Service
Miale Francesco	Miceli Gomme	Michele Chiarelli Pneumatici	Mid Pietro Delle Cave
Midi Europe	Midrocar	Millegomme	Mirarchi Pneumatici
Mister Gomma	Mitas	Mobis Parts Europe N.V. Italy	Mock
Modafferi Santino	Moderna Gomme	Modugno Pneumatici	Monaco Tyres
Montebello Gomme	Monterastelli Alfeo	Moretti Multipneus	Moretto Graziano
Morpheus Gomme	Moto	Motocross Marketing	Motorstor
Motorsystem	Murgia Giovanni & C.	Musso Gomme	N.G.Tyres Group
Nadix	Nasto Pneumatici	Nasto Pneumatici Mo.Da.	New Lido Gomme
New Pneus 2000	New Tyre	Newacky S.	Nik
Nino Stallone	Nissan Italia	No Poser	Noigomme2
Non Solo Gomme	Nori Elio	Nuova Orrigoni Gomme	O.D.P.
Officina 3d Pneumatici S.	Officina Riccadonna	Officina Scremin	Offroadmotors
Ok Gomme	Oliver Group	Oliver Store	Only Machine
Overgom	P.T. Gomme	Palazzi Remo	Palpon Gomme
Panormus Pneumatici	Paoletti Racing	Pasini Gomme	Pasini Gomme
Patta Peppino	Pavone Giovanni	Pedrazzi Pneumatici	Pendin Gomme
Perrone Elio	Pfitscher Florian	Pichler Olaf Stephan	Pila Pneus
Pit Stop	Pit Stop	Pneucar	Pneuman Distribuzione Pneumatici
Pneumatici Angrisani Pasquale	Pneumatici Centro Vasto	Pneumatici Dario Bagnoli	Pneumatici e Servizi
Pneumatici Mele	Pneumatici Moschetto	Pneumatici Valtellina	Pneus Acqui Commerce
Pneus Agri	Pneus Auto	Pneus Best S.	Pneus Center
Pneus Center	Pneus Express	Pneus Mellaredo	Pneus Online Trading Cv
Pneus Palladio	Pneus Pio	Pneus Rimini	Pneus Rudy
Pneus Service	Pneus Service Gallo	Pneus Service	Pneus Service
Pneus Solution	Pneus-Center	Pneusbox	Pneuservice 2000
Pneuservice	Pneuservice	Pneuservice	Pneusmarche

Pneusmart	Pneusmart	Pneusplanet	Pneustirolo
Pneustore	Pneusystem	Pnues Service	Porsche Italia
Pr	Pratoverde	Professional Pneus	Proietti Fernando
Proietti Gomme S.	Promauto	Puccio Gomme	Punto Gomme
Punto Gomme Valdisieve	Puntogomme	Pusnar Gomme	Q8 Stefan Eisenstecken
Quinto Cabella	R.E.C.	Racing Gomme	Racing Pneumatici
Real Sud	Recar	Reda Gomme	Redmoto
Reifen Hochrainer	Reifencom	Reifendienst Klausen	Rekord Import Export
Ri.Gom.Ma	Ricchetti Ermanno & C.	Rifer Gomme	Rigeneral
Rinova Dischi	Riparto	Rivolta Automotive	RI Auto
Rms	Rohrer George Karl	Romagna Pneus	Rosina
Rossato Gomme	Rotagri	Rovalgom	Rs Tuning
Russo Ricambi Veicoli Industriali	S.A.G. Pneumatici	S.B. Car Service	S.D.R.
S.I.R.P.A.	S.R.S. Gomme	Sabart	Sabre Italia
Sabry Pneus	Sacilese Gomme	Saf Distribuzione Gomme	Saf Gomme S.
Salvati Antonio	Same Deutz Fahr Italia	Santacroce Pneumatici	Sanyang Italia
Sarda Pneumatici	Sardagomme	Scandellari	Scapini Gianluca
Schettino Gomme	Schiro'	Senese Donato	Serravalle Pneumatici
Setti Pneumatici	Sg Gomme	Sicur Tyres Group	Sifam Italia
Simeone Pneumatici	Simvar	Sipav	Sirtek
Societa' Generale Ricambi (Europa)	Soligomme Fratelli Naibo	Sonnengarage	Sparkling
Speedy Lavorazioni	Spezia Gomme	Spinello Sandra	Sport Pneus
Sportgarage	St Gomme	Suardi Gomme	Sud Tyre
Supergom	Supergomma	Supergomme	Supergomme
Suzuki Deutschland	Suzuki Italia	Symi	Tagom Tires
Tamburelli Tiziano	Tecnoblock	Tecnogomme	Tecnoruote
Tirendo Holding	Tiresmaster	Tonin Gianfranco	Tony Pneus
Top Garage	Top Gom	Topgomma	Torreggiani
Trani Fioravante	Tregigomme	Trio	Truck Service Tires
Tudisco Gomme	Turra Gomme	Tutto Gomme	Tyre Resort Wheels
Tyre Trading	Tyrecom	Tyrex	Universalpneus
Valle Gomme	Vama	Vegom Service	Velorama
Veneta Gomme	Vergom	Verri Gomme	Vertuani Enrico
Vi.P. Pneumatici	Villanova Gomme	Villgomme	Vimauto
Vimercate Gomme	Volvo Car Italia	Vpt Online	Vs Gomme
Vulcanizzatore Nasca Giuseppe	West Wheels	World Of The Wheels	Zagolin Renato

MEMBER SERVICES

EcoTyre's work for its members is not limited to collecting ELTs from tyre shops, but also includes a series of legally-required reporting activities to the Ministry of the Environment, which deals with the quantities of new tyres placed on the market and the ELTs effectively collected.

ONLINE DECLARATIONS OF TYRES PUT ON THE MARKET

The law obliges tyre manufacturers and importers to provide the Ministry of the Environment with a monthly declaration of new tyres placed on the market broken down by category. EcoTyre has developed an online management system and has made this available to its members, enabling them to make their declarations quickly and easily.

As well as sending reports to the Ministry, the system also permits invoices relating to the environmental fee due to be issued along with a history of transactions. This system has completely replaced the paper-based system, reducing costs and time.

The computer system also helps EcoTyre to work efficiently and reduce its costs by creating a dashboard through which the flux of tyres placed on the market can be monitored and collection activities can be better planned.

ANNUAL REPORTING

Another legal requirement that must be fulfilled is accounting. Ministerial Decree 82/2011 obliges members to inform the Ministry of the Environment about the quantities of ELTs collected and correlate these with the quantities of new tyres placed on the market.

The computer system enables EcoTyre to carry out this activity on behalf of its members, simplifying the accounting and guaranteeing that they meet their collection obligations. Furthermore, the system provides full accounts and a complete report on all of the consortium's activities offering transparency to the competent authority.

CERTIFICATION OF CORRECT MANAGEMENT

At the end of each accounting period, EcoTyre issues a certificate of good management for all members who have met their monthly accounting and payment requirements. This confirms that EcoTyre has taken responsibility for collections, accounting and financing ELTs on behalf of members.

PUBLIC AFFAIRS

Over the years, EcoTyre has become an increasingly authoritative interlocutor for the Ministry and other institutions that deal with waste management. In this respect, the consortium represents all of its members equally.

On more than one occasion these institutional relationships have permitted the consortium to highlight critical issues in the regulatory system and, where possible, correct them to ensure fair competition for all those actively working in the market.

NATIONAL AND EUROPEAN LAWS

The management of end-of-life tyres in Italy is covered by Ministerial Decree 82/2011. The Decree defines ELTs as “Tyres taken out of service at any point in their life, which the owner discards, intends to discard, or is obliged to discard, and which are not going to be retreaded, or reused”. The Decree’s main objective is to improve the management of end-of-life tyres so as to safeguard the environment and avoid the creation of new waste.

In line with the European principle of “Extended Producer Responsibility”, producers and importers are identified as being responsible for the management of the system, which has the following objectives:

- Collect and manage an annual amount of ELT (of any brand) which is at least equivalent to the quantity of tyres which have been placed on the national market in the previous year;
- Declare to the competent authority by May 31st each year, both the quantity and the types of tyres placed on the replacement market in the previous year and the quantities, types and destinations of ELTs for either recovery or disposal;
- send the competent authority a complete Financial Statement for operations;
- Fulfil the obligation to establish a dedicated organisation, such as the EcoTyre Consortium, which provides all ELTs management activities, including communication and reporting requirements;
- cover the costs arising from the treatment and exploitation of ELTs. The Italian legislation established an environmental fee, applied explicitly on the invoice when purchasing a new tyre.

The level of this environmental fee is set by the Consortium and based on the total costs incurred to guarantee the management of ELT in full compliance with environment and health related laws. The law stipulates that fees must be charged on the type and weight of the tyre being sold. The different fees are revised each year and approved by the Ministry of the Environment

The environmental fee must be paid by all those involved in purchasing or importing tyres from abroad (including through the Internet) and placing them on the Italian market. The application of the fee is mandatory for all tyres placed on the domestic market for the first time, in any capacity. This was reiterated by the Minister in reply to the parliamentary question by Mr. Ermete Realacci, President of the Environmental Commission of the House. The question was based on information provided by EcoTyre. The Minister put an end to a long-running question for the industry: that of the ability for “web” tyre importers to avoid paying the fee that other tyre importers paid. This avoidance had negative consequences not only for the environment and for the tax authorities but it was also detrimental to free competition and funding the management of end-of-life tyres, which in the absence of the fee, would be at the public’s expense.

EVENTS AND INITIATIVES

ECOMONDO



2016 once again saw EcoTyre as a lead player in the Ecomondo Expo in Rimini. This was EcoTyre's fourth consecutive year there. Its stand was in pavilion B3 and was a meeting place for consortium members, operators and institutional stakeholders enabling them to explore technical, operational and management issues connected to ELTs. It also provided a space in which to explore political issues that arise as legislation evolves. Special guests this year were Andrea Poggio, member of the national secretariat for Legambiente, and Carmen di Penta, Director General of Marevivo who talked about the next steps for the project PFU Zero and the success it had achieved this year.

The expo is also an important opportunity to run awareness-raising activities for the general public and schools which use Ecomondo to find out more and get up to date on the complex but fascinating world of waste. In this respect, EcoTyre distributed information materials and gadgets made from recycled rubber.

THE NATIONAL COUNCIL FOR THE GREEN ECONOMY



EcoTyre's seat on the National Council for the Green Economy permits it to follow discussions and proposals on the themes of waste management, recycling and the circular economy, first-hand. The Council, initially set up by the Foundation for Sustainable Development, comprises of 66 organisations and has become the main Italian think-tank on environmental themes. Each year it develops innovative proposals which, through the General State of the Green Economy, are made public and are then forwarded to the Italian Government - specifically, the Ministries for the Environment and for Economic Development.

"L'ITALIA DEL RICICLO" REPORT



EcoTyre has contributed to the 2016 edition of the "L'Italia del Riciclo" report (Italy Recycling), specifically the section dealing with the management and recovery of ELTs in Italy and in Europe. The research, which was undertaken by FISE UNIRE and the Foundation for Sustainable Development, turns the spotlight onto the state-of-art recovery for materials in Italy, comparing the data from Italy with what is happening elsewhere in Europe and worldwide.

10,000 TREES FOR PANTELLERIA



EcoTyre contributed to the 10,000 Trees for Pantelleria campaign, which was promoted by Parchi per Kyoto. This aims to replant the island's forest which was lost to the devastating fire which struck last year. The partnership was formed following the PFU Zero in the Minor Islands work, which was held just a few days after the 2016 fire. It was then that EcoTyre pledged an additional contribution to the environment. On the 31st December 2016, EcoTyre signed an agreement to collect tyres free of charge and donate a tree for each of its active members. In total 564 trees will be planted.



an ECOTYRE
project

Extraordinary
collections of used Tyres

Patron



MINISTERO DELL'AMBIENTE
E DELLA TUTELA DEL TERRITORIO E DEL MARE



STATEMENT OF ACTIVITY

2013 - 2016

INTRODUCTION

In just a few years, the Italian laws on end-of-life tyres have proved to be some of the most effective in the environmental field in general, and in particular in the waste sector. We were given the objective of sending 100% of waste generated to be recovered, and we achieved this almost immediately. In fact, we actually managed to exceed this as the Ministerial Decree also made resources available to deal with the historic deposits of waste abandoned or fly-tipped, which up to a few years ago, could be found throughout our wonderful country.

In this context, the PFU Zero Project, which is promoted by EcoTyre, represents a huge success: hundreds of volunteers have been set to work, tens of sites have been cleaned up, millions of tyres have been removed from the countryside and sent to be recovered, and thousands of children have been involved in awareness-raising initiatives.

The results of this intense work are evident but the most important thing about PFU Zero is that it continues to enable the reporting of fly-tipped ELTs and so set in motion a valuable and punctual service to clean up the area.



Barbara Degani

Under-secretary

Ministry for the Environment

and for the Protection of the Country and the Sea

With every year that passes, what reinforces our conviction that Project PFU Zero is working is the fact that there are fewer and fewer reports of fly-tipped or abandoned end-of-life tyres, and the reports we do receive are about ever diminishing numbers. We are a long way from the large sheds full of thousands of tonnes of ELTs which we had to empty, back when the project began. This essentially means two things: the first is that consortia, such as EcoTyre, have, in the course of the last few years, cleaned up the huge legacy of historic stock left over from the previous management system. The second is the success of continuous activities of awareness-raising and promoting better public understanding about the correct way to deal with ELTs, and the active role tyre shops and mechanics who replace these tyres.

So, we are convinced that the project PFU Zero must continue and grow because whilst there are still tyres abandoned in the environment, it is important to provide the possibility that they can be reported and sent for recovery in the most practical way possible. We also believe it is necessary to continue providing information that shows the route that tyres must follow when they have reached the end of their life, and prevent them from being abandoned in the environment.

The results obtained thus far and illustrated on the following pages are more than just encouraging. Over 1,000,000 tyres have been collected and recycled. This proudly confirms that the project will continue until we have a country with zero abandoned ELTs.

Enrico Ambrogio

EcoTyre President

THE PFU ZERO PROJECT

PFU Zero is the first national project to map deposits of abandoned end-of-life tyres. The project aims to identify abandoned tyres through reports filed by local bodies, associations and the general public. Deposits can be reported and added to our database through www.pfuzero.ecotyre.it.

Every year, EcoTyre dedicates a part of its profits to the management and cleaning up of some of the deposits reported through PFU Zero. Collections are conducted free of charge for the Local Authority. In 2016 alone this enabled the appropriate collection and recovery of 3,041,940 kg of ELTs. These initiatives are often supported by awareness-raising and educational activities.

Such initiatives are aimed at spreading a culture of correctly collecting any ELTs the public and operators have, and reducing the risk that they become abandoned or fly-tipped.

Supported by the Ministry for the Environment, the project ensures that any abandoned ELT tyres are not only correctly collected but that they are also sent to be recovered appropriately in an accredited plant. ELTs represent a real resource because 100% of their materials can be recovered. The main part of the tyres collected are treated to produce "rubber crumb" a recycled material that can put to a multitude of uses: road coverings, coverings for athletic tracks, children's play areas and much more. The remaining part is destined for energy recovery.

In four years, collections have amounted to over a million ELTs through approximately 80 extraordinary interventions across Italy. Many activities have been accompanied by awareness-raising initiatives conducted with Gummy, the PFU Zero project's mascot, who is also an environmental educator.

Awareness-raising initiatives have been carried out on quays in ports for tourists and the general public with a special focus on children. The children were involved in fun activities with Gummy, and the importance of correctly managing ELTs was explained through games, as was the fact that this waste needs to be recovered to safeguard the environment and, in particular, the sea ecosystem.





Fiorenzuola D’Arda (PC)



Lipari (ME)



Sarmato (PC)

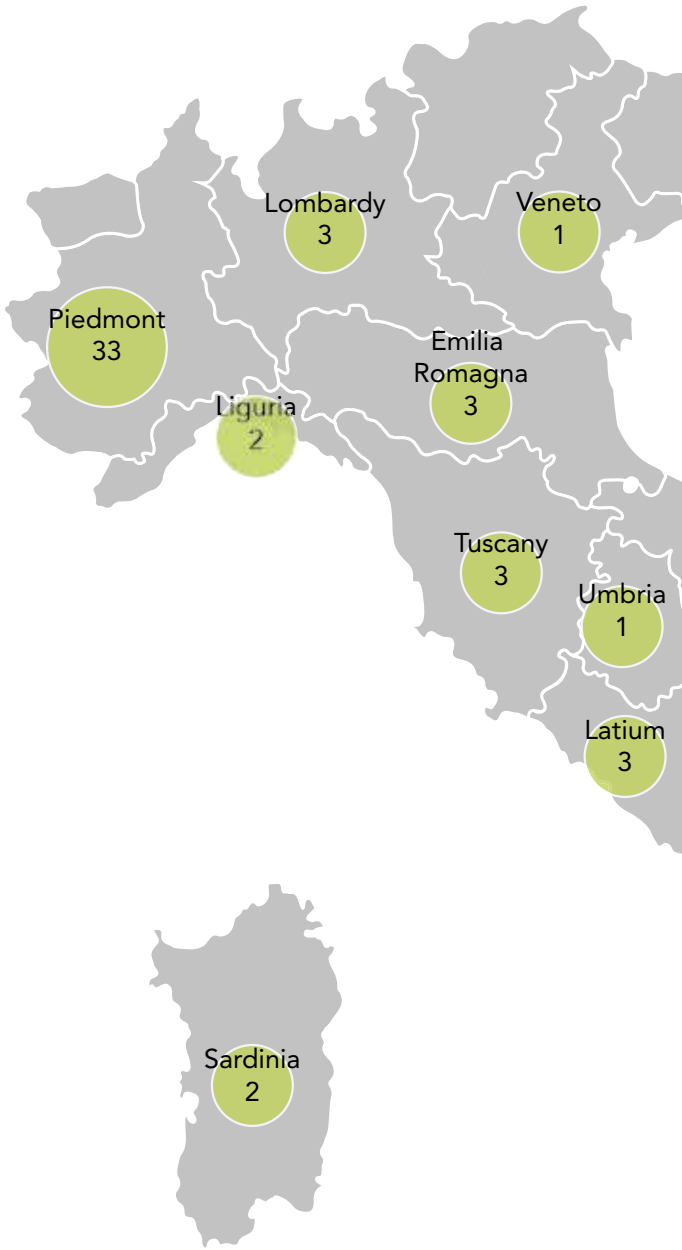


Potenza (PZ)

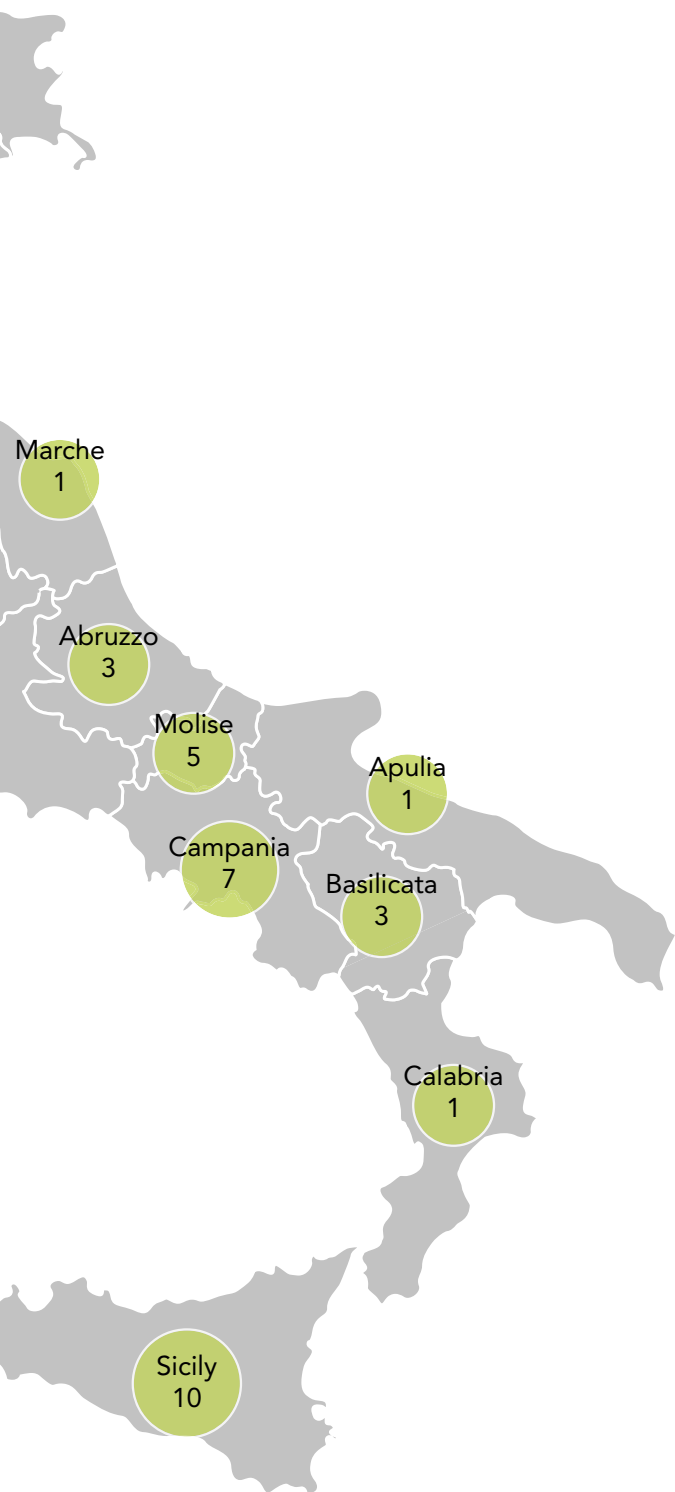


Ponza (LT)

INTERVENTIONS THROUGHOUT ITALY



 Number of Interventions in Each Region



Torano Castello (CS) - Prima



Torano Castello (CS) - Dopo



Tufara (CB)



Lampedusa (AG)



Isola d'Elba (LI)

THE PARTNERSHIPS

Awareness-raising is a key element of the PFU Zero project, and so EcoTyre identified strategic partners capable of giving continuity and visibility to the extraordinary collections and who could offer their technical and logistic support during the operation.

The first partnership was that with Legambiente, and in particular with the Clean the World initiative. Every September, this sees thousands of volunteers throughout Italy working on clean-up operations in the countryside, parks and public spaces. EcoTyre supports this by collecting the ELTs that have been unearthed during their work free of charge. Over the years entire deposits of fly-tipped ELTs have been identified and the woods, grasslands, and riverbanks and other particularly valuable areas have been cleaned up.

Turning now to the coast and sea bed, the PFU Zero nella isole minori (ELT Zero in the small islands) addresses this. The project is delivered with Marevivo, and identifies and collects ELTs found on beaches and in ports on the small Italian islands. The common use of tyres as fenders suggests the need for clean-up activities which the association carries out using its own submarine. The ELTs it collects it entrusts to EcoTyre's operational network which guarantees their correct recovery. During 2016 we achieved our objective to intervene in every one of the Italian archipelagos, and we repeated the work on the islands with the most pressing problems.

ELT Zero in the smaller islands also resulted in some more structured intervention. Through the Local Authorities in Ustica, Pantelleria and Lampedusa, we were able to create a constant chain of disposal of this waste made possible by regular collections conducted by part of EcoTyre's logistic network.

PFU Zero also has an international aspect as it is involved in the Let's Clean up Europe campaign which, every May, culminates in the European Clean-up Day, the most important European initiative to collect waste and litter. EcoTyre has organised extraordinary collections for this in partnership with local organisations who reported the ELT deposits through the website - www.pfuzero.ecotyre.it.

Every collection is accompanied by awareness-raising activities with the EcoTyre mascot Gummy who entertains the children and schoolchildren who are involved in the clean-up and explains the best way to manage ELTs.





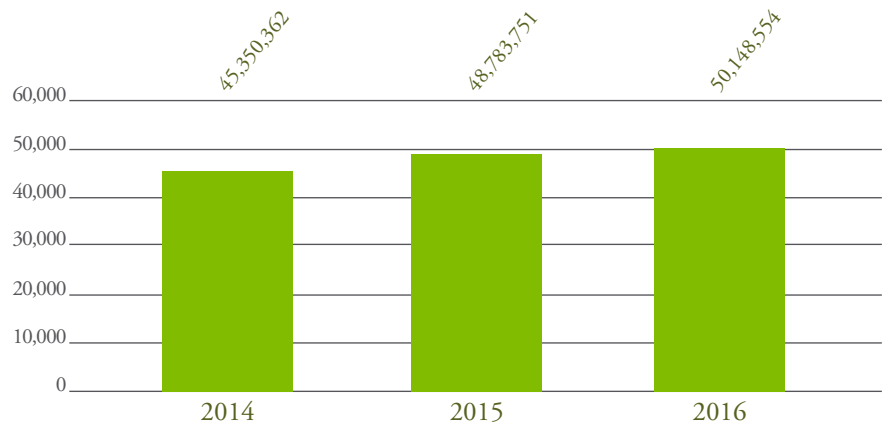
WWW.PFUZERO.ECOTYRE.IT

RESULTS 2016

COLLECTION IN ITALY

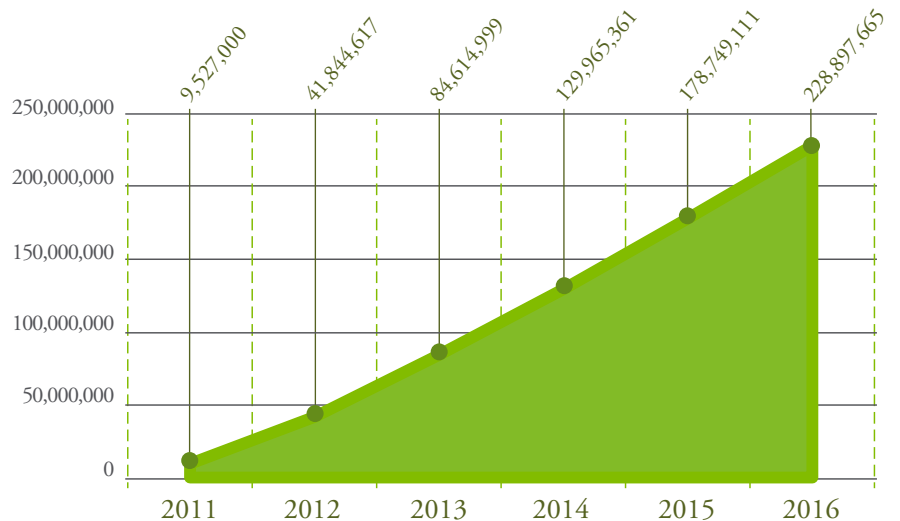
After six years of actively collecting ELTs in Italy, 2016 has also been a positive year as we pass the 50,000 tonne mark for annual collections. The total amount of ELTs sent for proper recovery last year was in fact 50,148,554 kg, an increase of 3% on 2015.

**Collections
2014-2016 (kg)**



The cumulative tonnage of ELTs sent for recovery over the past 6 years is 230,000, and has risen constantly due to an annual increase in the number of members who use the collection services we provide, and the number of collection points we serve.

**Aggregate Collection
2011-2016**

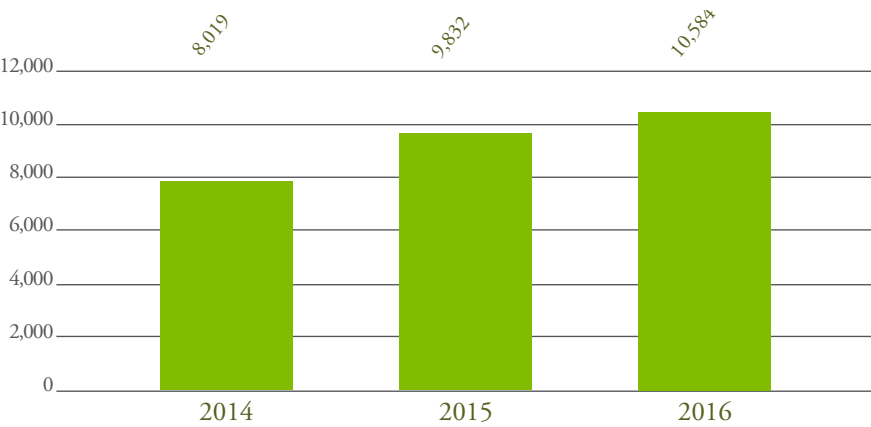


The Number of Collection Points in EcoTyre's Network

THE LOGISTICS NETWORK

EcoTyre manages collections through a network of 80 logistic operators which are coordinated by 21 area contacts and the network guarantees punctual and timely collections from each of the collection points. We serve a total of 10,584 tyre shops and mechanics, who can take advantage of a collection service that meets EcoTyre's standards.

Each business is served by the closest operator. In this way we offer logistic proximity, which not only has economic advantages, but also has environmental ones because it reduces the transport distances and thus the emissions of pollutants. Furthermore, trips are planned to ensure that the vehicles are fully loaded, offering further logistic efficiency.



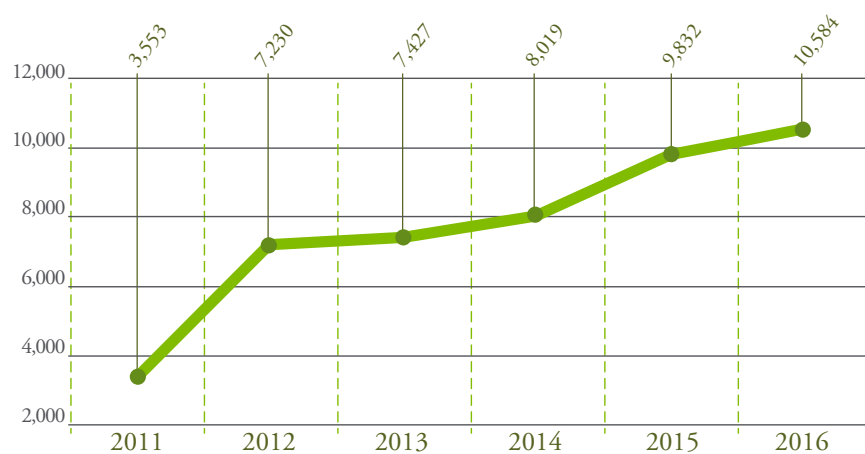
	Number of EcoTyre collection points		
Year	2014	2015	2016
Collection Points	8,019	9,832	10,584



The collection points are widespread permitting EcoTyre to work across the nation. Over the years the number of these in the south, in particular Campania, Sicily and Calabria, has increased.

Number of ECOTYRE collection points by region Year 2016	
Abruzzo	88
Basilicata	95
Calabria	144
Campania	376
Emilia-Romagna	462
Friuli-Venezia Giulia	360
Lazio	1,077
Liguria	915
Lombardy	1,705
Marche	112
Molise	11
Piedmont	3,631
Apulia	136
Sardinia	59
Sicily	294
Tuscany	357
Trentino-Alto Adige	307
Umbria	113
Valle d'Aosta	98
Veneto	244
Grand Total	10,584

Growth in Collection points 2011-2016



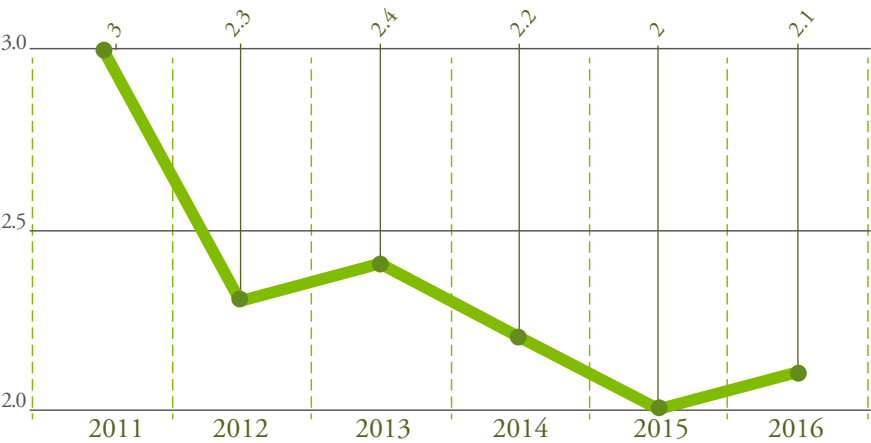
THE ENVIRONMENTAL FEE

EcoTyre has always maintained a careful and rational approach to management and administration costs and this has permitted us to keep the Environmental Fee as one of the lowest in the market, whilst guaranteeing a high quality service.

The level of the Environmental Fee is determined by the costs incurred by the consortium to conduct its logistics (collections and transport) and its administrative functions. EcoTyre is able to maintain and control these costs due to, on the one hand a deep understanding of the sector and reverse logistics, and on the other hand, a structure which is lean and versatile.

The following graph summarises the change in the fee in respect of category B1 vehicles in the last six years. As can be seen, our activities continually improve in terms of logistics and efficiency and have permitted us to reduce the environmental fee levied by over 30%, with a minor increment in 2016, due to external logistic costs.

Variation in the
Environmental Contribution
(Category B1)
2011-2016 (€)



OPERATIONS AND LOGISTICS PORTAL

The EcoTyre computer system is an important tool that guarantees punctuality, efficiency and cost effectiveness for all our activities.

Having restructured and reorganised our logistics portal, in 2016 we overhauled our website in terms of its look and function and we updated its content. This work made it possible for the site to be accessed by all types of devices and guarantee the constant flow of information to members and the general public on active initiatives.

The logistic portal dedicated to the collection points can be accessed from the site. It is here that tyre shops are able to request collections of ELTs quickly and easily, and look back at their previous collection requests to EcoTyre. In 2016, 25,000 operations of this type were effectuated through the portal.

Consortium members have access to a reserved area where, with the support of EcoTyre, they can manage their administrative and reporting activities to the Ministry for the Environment. These include reporting on the quantities of new tyres placed on the market, and the collections conducted month by month. This system has conducted 6,000 online declarations over the course of the past year.

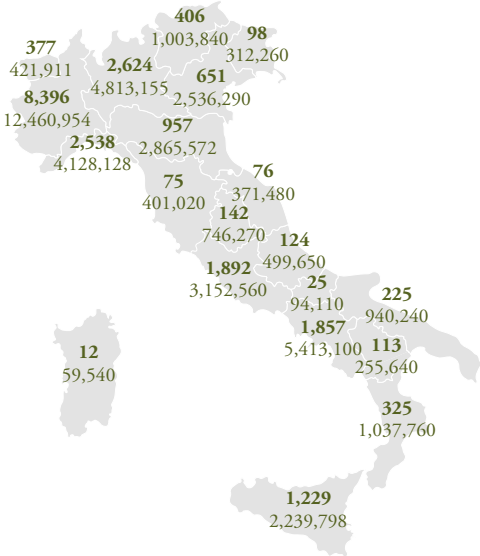
New Website's Homepage



NATIONWIDE COLLECTIONS

EcoTyre’s activities consist of the daily collections of ELTs from tyre shops, a total of 22,141 collections in 2016, almost 5% more than last year. This accounts for the majority of ELTs collected: 43,753,278 kg in 2016. The tyres collected from vehicle dismantlers accredited by the ACI came from 887 collections, generating 3,353,336 kg of ELTs. The extraordinary collections resulted in a further 3,041,940 kg being sent for treatment and recovery. The last of these is funded through the surplus the consortium made last year.

2016 saw an enormous effort to increase collections in the southern Italian regions. In Campania, for example, the collections quintupled, from a million kilograms in 2015, to over five million collected this year. As a result, in just one year, Campania became the region with the second highest quantitative collection. Similarly, both Sicily and Calabria have doubled their collections, and Apulia has also seen an increase of 38%. Molise recorded an increase of 730% in collections, but in terms of quantities collected, the increase is less significant.



Amounts collected by Region and from collection points in 2016		
Region	Weight (kg)	Nr. of Collections
Abruzzo	499,650	124
Basilicata	255,640	113
Calabria	1,037,760	325
Campania	5,413,100	1,857
Emilia-Romagna	2,865,572	957
Friuli-Venezia Giulia	312,260	98
Lazio	3,152,560	1,892
Liguria	4,128,128	2,538
Lombardy	4,813,155	2,624
Marche	371,480	76
Molise	94,110	25
Piedmont	12,460,954	8,395
Apulia	940,240	225
Sardinia	59,540	12
Sicily	2,239,798	1,229
Tuscany	401,020	75
Trentino-Alto Adige	1,003,840	406
Umbria	746,270	142
Valle d'Aosta	421,911	377
Veneto	2,536,290	651
Ritiri presso punti di raccolta	43,753,278	22,141
Interventi straordinari	3,041,940	175
Ritiri presso Demolitori ACI	3,353,336	887
Grand total	50,148,554	23,203

END-OF-LIFE VEHICLE COLLECTION NETWORK

Ministerial Decree 82/2011 provided for an independent collection chain for ELTs originating from vehicle dismantling organisations. At the head of this chain is Automobile Club Italia (ACI)'s ELT Committee, which chose EcoTyre to be one of its logistic partners for collections. Thus, the Consortium conducts daily collections from vehicle dismantlers who are inscribed in the Public Automobile Register, and who request collections through ACI's computer system. The management of this type of ELT is financed through an environmental fee collected through ACI when a new vehicle is purchased. These accumulated funds mean that these ELTs can be sent to treatment and recovery plants to obtain secondary raw materials.

In 2016, EcoTyre conducted a total of 887 collections on behalf of ACI throughout Italy. It guaranteed the recovery of 3,353,336 kg of ELTs. Of particular note are the collection activities in Emilia Romagna, which on their own, represent approximately a third of the total weight collected (1,337,450 kg), followed by Piedmont (349,186 kg) and Veneto (229,730 kg).

Collections from end of life vehicles from the network of dismantlers.		
Region	Nr. of Collection	Total collected (kg)
Abruzzo	33	172,510
Basilicata	27	122,750
Calabria	32	107,960
Campania	19	36,210
Emilia-Romagna	290	1,337,450
Friuli-Venezia Giulia	15	54,540
Latium	36	107,960
Liguria	59	213,970
Lombardy	36	189,500
Marche	11	52,340
Piedmont	148	349,186
Apulia	36	114,180
Sicily	35	153,780
Tuscany	6	22,950
Trentino-Alto Adige	19	72,820
Valle d'Aosta	5	15,500
Veneto	80	229,730
Grand total	887	3,353,336

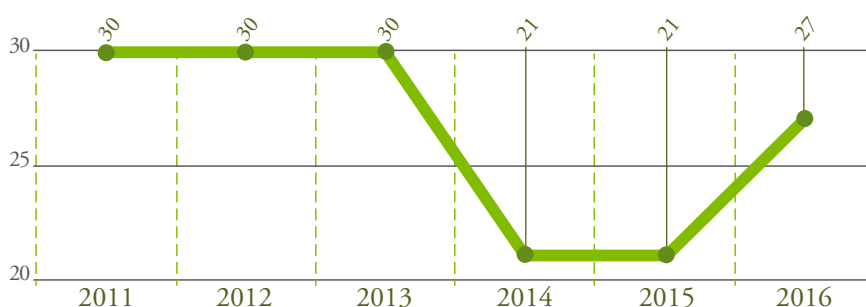


Comitato PFU
Pneumatici Fuori Uso
Veicoli a fine vita

RECOVERY PLANTS

The increase in the collections and the number of collection points served by EcoTyre as well as the network of treatment and recovery plants (which have increased from 21 to 27) has encouraged EcoTyre to review its operations. The treatment plants are required to meet high quality and management standards and show the highest levels of transparency in respect of the destination for waste and the way in which it will be recovered.

Plants Used 2011-2016



The network of plants is spread throughout the country in order to meet the requirement of transport proximity for ELTs and therefore limit the distance lorries need to transport these, so reducing costs and thus the Environmental Fee. The variety of plants we used permits us to run continuous operations, and easily manage even unusual types of ELTs, such as very large ones.

In the following table, we report on the 21 plants that work in partnership with the consortium to treat special categories of ELT waste.

Plants used by EcoTyre

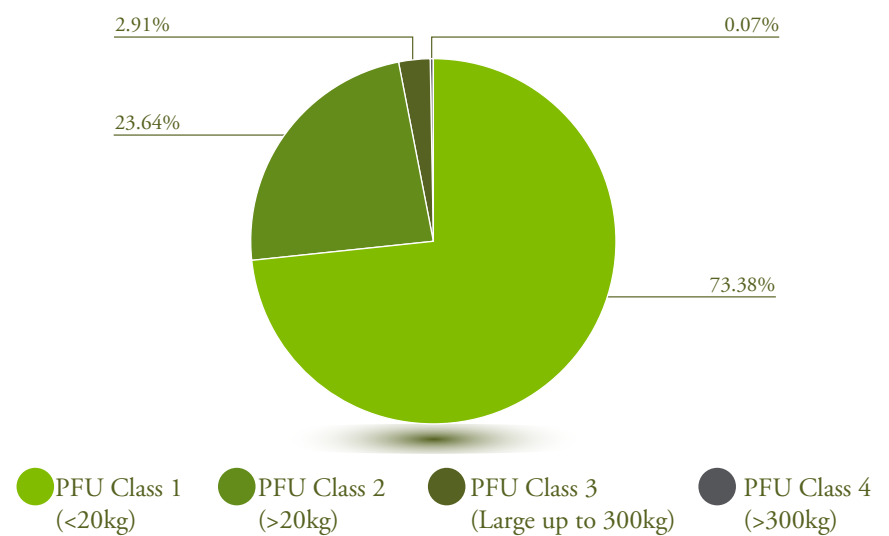
Name of treatment Plant	Location
Ago-Filpress S.r.l.	San Salvatore Telesino (BN)
Genan GmbH	Kamlach, Germania
Baucina Recyclng Tyres Srl	Baucina (PA)
Bonus Obchodni Agentura Spol Sro	Borovany, Repubblica Ceca
Centro Servizi Ambiente Impianti S.p.a.	Terranuova Bracciolini (AR)
Corgom S.r.l.	Corato (BA)
Cumiana Gomme Group S.r.l.	Settimo Torinese (TO)
Ecoservice Srl	Sant'antonio Di Gallura (Ot)
Gatim	Lamezia Terme (CZ)
Holcim (Hrvatska) Doc	Koromacno, Croazia
Holcim (Italia) SpA	Ternate (VA)
Irigom S.r.l.	Massafra (TA)
Maestrale Industrie Terni S.r.l.	Terni (TR)
Marche Recycling Srl	Fabiano (AN)
Marche Recycling Srl	Montone (PG)
Microgamma Energia S.r.l.	Abbadia Di Montepulciano (SI)
Ok Projekt sro	Ceské Budjovice, Repubblica Ceca
Recycling Pfu S.r.l.	Santi Cosma e Damiano (LT)
Rep S.r.l.	Bagnolo Mella (BS)
Rpn S.r.l.	Nocera Inferiore (SA)
S.A.I.D. S.r.l.	Pineto (TE)
Salonit Anhovo Dd	Deskle, Slovenia
Sh Drtice s.r.o.	Dražice, Repubblica Ceca
Smacom S.r.l.	Santa Ninfa (TP)
Ternienergia S.p.A.	Narni (TR)
Turin Carta	S.Maurizio Canavese (TO)
Tyrewolf GmbH	Pfullendorf, Germania

COLLECTIONS BY CLASS IN THE TYRE CHANGE NETWORK

There are four classes of ELTs that EcoTyre deals with: class 1 covers tyres from cars and motorbikes, weighing under 20kg, class 2 is tyres over 20kg such as those for lorries; class 3 covers tyres weighing up to 200kg, and class 4 is those over 300kg.

The quantities illustrated of the four classes of tyre only include normal collections and not extraordinary collections or collections coming from ACI's vehicle dismantlers.

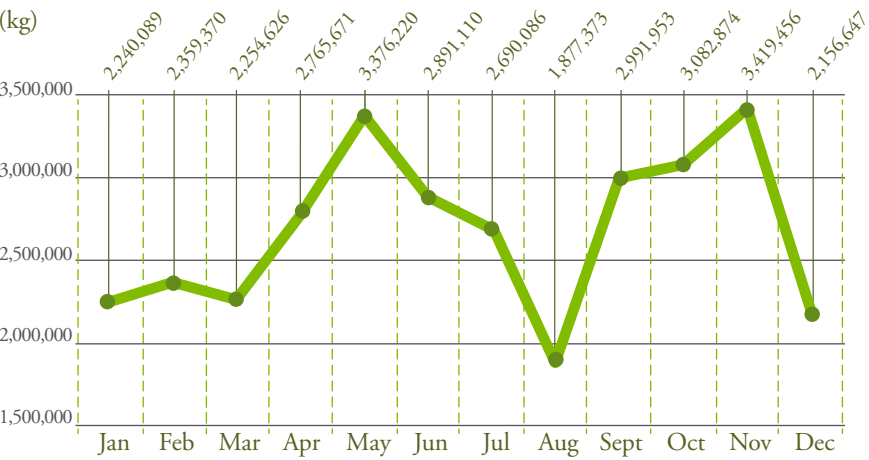
Monthly Collections of Class ELTs



Monthly Collections
of Class 1 ELT (<20 Kg)

Collections of class 1 ELTs remains relatively constant because this relates to everyday vehicles such as cars, motorbikes and vans.. This year the 30 million kilogram mark was passed for the first time: between January and December 32,105,475 kilograms were collected.

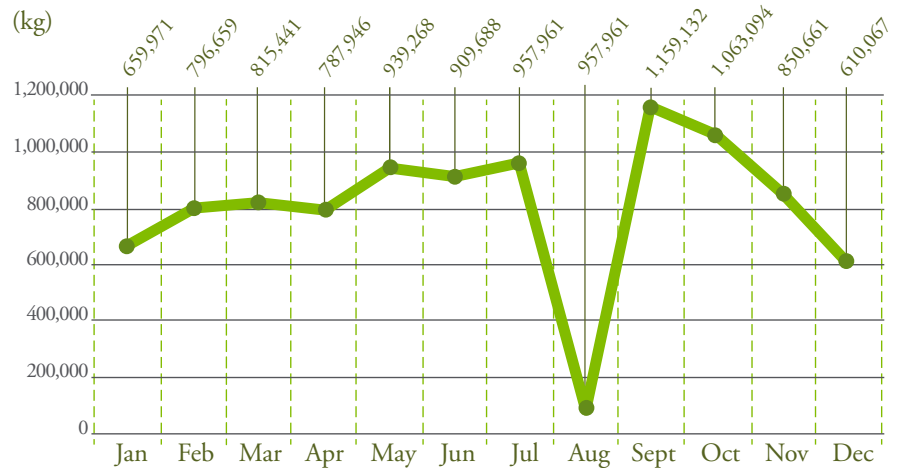
Collections in this class of tyre are distinctly seasonal because ELTs are generated at the moment that winter tyres are changed for summer ones and vice versa. This causes a peak in activity in the months immediately after the change - typically May and November. The management then drops to a minimum in August and December, which corresponds to the mechanics being shut for the holidays.



Monthly collections of Class 1 ELT (<20 Kg)	
2016	Weight (kg)
January	2,240,089
February	2,359,370
March	2,254,626
April	2,765,671
May	3,376,220
June	2,891,110
July	2,690,086
August	1,877,373
September	2,991,953
October	3,082,874
November	3,419,456
December	2,156,647
Total	32,105,475

Monty Collections of Class 2 ELTs (>20 kg)

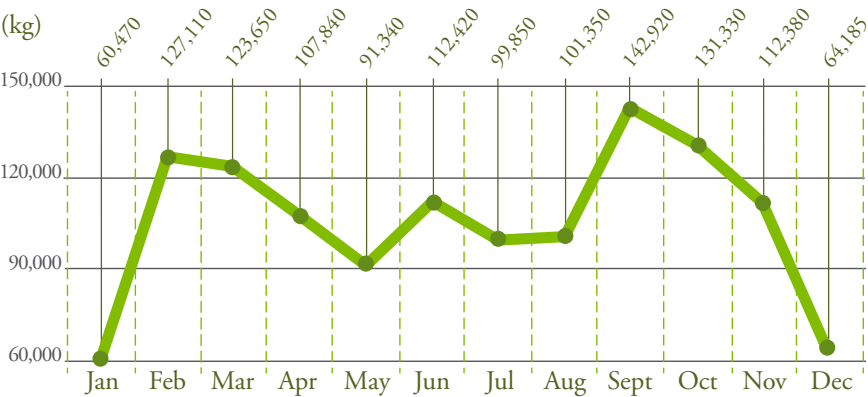
The 10 million kilograms milestone was also surpassed for class 2 tyres in 2016, with a total collection this year of 10,344,168 kg. This class covers medium to large end-of-life tyres originating from lorries and buses. There is more consistency with these changes, although there is an increase during the first cold months.



Monty Collections of Class 2 ELTs (>20 kg)	
2016	Weight (kg)
January	659,971
February	796,659
March	815,441
April	787,946
May	939,268
June	909,688
July	957,961
August	794,280
September	1,159,132
October	1,063,094
November	850,661
December	610,067
Total	10,344,168

Monthly Collections
of Class 3 ELTs
(Large up to 300 kg)

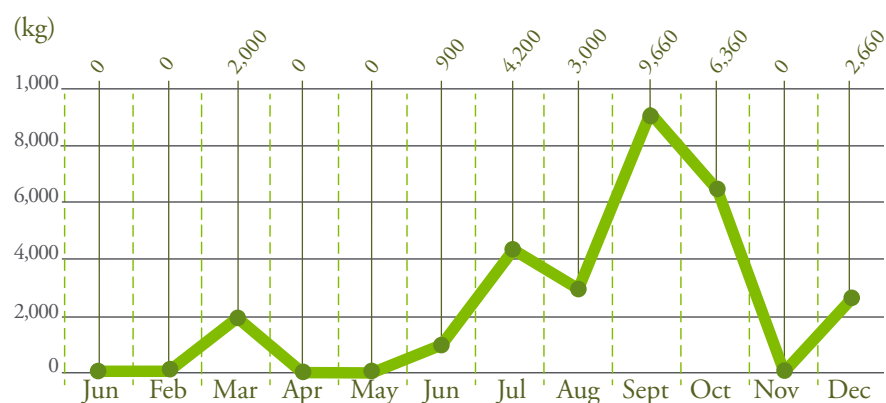
Class 3 ELTs show a much less marked increase and at the end of 2016, 1,274,845 kg had been collected from tyre change shops throughout Italy. Similarly changes month-on-month are less evident than those for smaller tyres.



Monthly Collections of Class 3 ELTs (Large up to 300 kg)	
2016	Weight (kg)
January	60,470
February	127,110
March	123,650
April	107,840
May	91,340
June	112,420
July	99,850
August	101,350
September	142,920
October	131,330
November	112,380
December	64,185
Total	1,274,845

Monthly Collections of Class 4 ELTs (> 300 kg)

Class 4 ELTs are those which are extra-large and weigh over 300 kg. The collection of these tyres has remained relatively constant over the years because there are fewer of them in Italy. In 2016, we collected a total of 28,790 kg of these tyres. A characteristic of this type of ELT is they require special collections and these tend to be planned in advance which explains their absence in some months of the year.



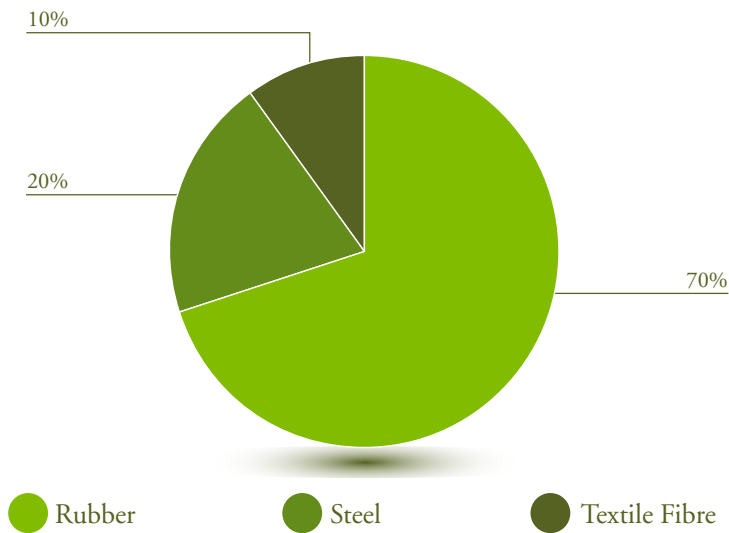
Monthly Collections of Class 4 ELTs (> 300 kg)	
2016	Weight (kg)
January	0
February	0
March	2,000
April	0
May	0
June	900
July	4,200
August	3,000
September	9,660
October	6,370
November	0
December	2,660
Total	28,790

THE ADVANTAGES OF RECOVERY

Italy is an example of excellence at a European level in terms of the recovery of ELTs as it has one of the highest quotas of this type of waste sent for material recovery, i.e. recycling. Recycling is the preferred solution, over energy recovery, from an environmental point of view. According to a study by the Foundation for Sustainable Development, sending ELTs for material recovery results in a reduction of CO2 production equal to approximately 2kg per kilogram of waste recycled, compared with the process of energy recovery.

It is possible to recover nearly all of the components of a tyre during recycling, with a very small amount of waste. As the diagram illustrates below, rubber is the most common material in the tyre's makeup, and accounts of 70% of its total weight. The steel filaments, which reinforce the tyre, make up 20% of the material and the remaining 10% is composed of textile fibres.

The Composition of a Tyre



The recycling process begins with shredding the tyre which enables the steel to be extracted. The remaining rubber is referred to as chips. If the rubber chips are destined for energy recovery, treatment stops here and the chips are sent to waste-to-energy plants and cement kilns, where their high calorific value, is used to generate thermal energy which can in turn be transformed into electricity.

To obtain recycled rubber, the chips undergo further shredding cutting them into small granules called rubber crumb, which can be used in a variety of products. Below are a few of the many uses of rubber recycled from ELTs.

Uses for ELT recycled material

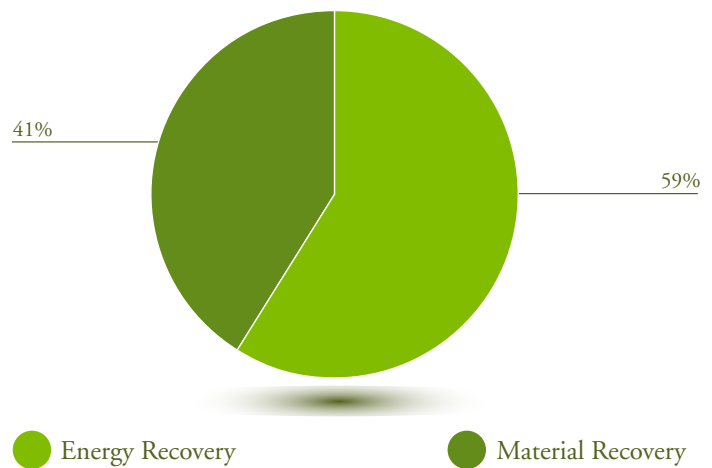
Sports floors	Pavements and products
Urban (street) furniture	Insulation materials
Mulching material	Civil engineering works
Electric arc steel-making	Re-used in mixes

**Recovery
Methods**

One of the uses which is increasingly common is that of recycled rubber being used in modified asphalt for roads. The rubber gives the mix elasticity and increases the covering's longevity, reduces braking distances, and increases traction on curves. In other European countries with Green Procurement Policies the use of modified asphalt in public road and infrastructure is promoted; in Italy however, this is not the case.

ECOTYRE'S RESULTS

EcoTyre's contribution to this recycling system is sending 41% of tyres for recycling, which is a significant amount considering the European average.



EcoTyre works constantly to identify technical and practical solutions that will widen the market for secondary raw materials derived from the treatment and recycling of ELTs. Our aim is to consolidate this as an important sector within a circular economy.



EcoTyre S.c.r.l.

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