



The message of Executive director of EcoTyresUnion

The phrase "We are all responsible for our future..." has long been a common phrase, in many cases it is just a manner of speaking. The EcoTyresUnion's approach to this motto is to implement it in its entirety. We all know that responsibilities can be performed formally, for a show, or you can approach them with enthusiasm, with a desire to bring real benefits - to make our world a better place in some way.

In our case, which is based on our obligation as an Association of tyre manufacturers and importers to fulfill the responsibility to ensure the recycling of the annually growing volume of waste tyres, we could approach formally, for example, by paying the eco-fee to the State, or by concluding a contract with the recycling company, not caring whether the recycling of waste tyres actually happens or not. In EcoTyresUnion we took a different path, which, by the way, was originally intended when the Extended Producer Responsibility was legislated. The state has laid down the necessary tools for business to implement initiatives that lead to positive changes in the recycling market, which naturally leads to an improvement in the environmental situation in the country. It is using this obligation as a tool that we have begun to stimulate, also through the financial leverage provided for by law, the waste tyre recycling industry, scrupulously working with each of our recycling partners, making development plans together, both for capacity growth and infrastructure development, and for the primary area – the development of the collection system of this type of waste in all segments.

In this report, we share our achievements in the development of this segment of the waste recycling market. Only 3 years have passed, but despite the fact that the establishment of such comprehensive systems for waste tyres collecting and recycling in Europe took 12-15 years, with completely different sizes of countries, we have something to be proud of.

Waste tyres are a specific waste that cannot be fully returned back to the original product, to the new tyre. However, it should not end up in the tanks where we throw our household garbage every day. Waste tyres have their own way back into the economic system. However, without proper collection and recycling system waste tyres pollute our ecosystem as much as normal garbage.

As a father of a large family who plans that his children will learn, live and find their vocation in this country, I believe in the future of our country, and that each of us can make this future better. Often a person considers himself small and unable to change anything. He is waiting for decisions from the outside, from the state, or that everything will somehow be resolved. But taking care of the future is a matter of small steps for each of us. In EcoTyresUnion, we have found an opportunity to live up to this potential of consistent, systematic steps to make the world cleaner, more sustainable and better in our segment of waste tyre recycling. Every year we cover an increasing number of regions with our activities, implementing well-developed strategies for the waste tyre collection systems.

We care about what the landscape around us will look like. Ecology is a matter of educating the next generations. The culture of respect for nature should stem from the family. And then it feeds on examples of other people's behavior. These people are us. We see this in Europe. But it took them more than 40 years to do this. We can do it faster by learning from experience and taking the best. This is exactly what was done in terms of tyre recycling: we visited the countries that most successfully solved these issues through the same Extended Producer Responsibility mechanism, studied their experience, delved into all the nuances, and then took the best and adapted it to the Russian reality. After all, we always have our own unique way in everything, simple copy will not work for us. Our country is infinitely diverse. That is why we personally know each region, each recycler in person, and with each of them we work together on a development program for the next 4 years. In addition, the EcoTyresUnion team monitors all aspects of this sphere, from the receipt of waste to the sales of end products of the recycling process.

With legislative support from the state, which allows us to continue the development of the recycling industry in our segment, we will reach the European targets for the level of waste tyre recycling by 2030.

Sergey Podoynikov, Executive director

Performance report

of Tyre manufactures and importers association on independent compliance with the utilization norms of tyres and rubber products “EcoTyresUnion” for the period of 2017-2020

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Tyre manufactures and importers association on independent compliance with the utilization norms of tyres and rubber products “EcoTyresUnion”: creation and development of waste tyre recycling system in the country

- **EcoTyresUnion founding**

EcoTyresUnion is a noncommercial organization founded by the largest tyre manufacturers and importers in February 2017 for independent compliance of the members of EcoTyresUnion with the recycling norms of tyres in accordance with the requirements of Federal law No. 89 dated 24.06.1998. EcoTyresUnion has become the first Russian industry Association created for collective fulfillment of extended producer responsibility.

EcoTyresUnion`s members are “Bridgestone Tire Manufacturing C.I.S.” LLC, LLC “Goodyear Russia”, Hankook Tire Rus LLC, LLC “YOKOHAMA RUSSIA”, LLC YOKOHAMA R.P.Z., LLC “Continental Kaluga”, LLC “Continental Tires RUS”, LLC «MICHELIN Russian Tyre Manufacturing Company», LLC “Nokian Shina”, LLC “Nokian Tyres”. EcoTyresUnion is authorized by tyre manufacturers and importers to conclude contracts with recycling companies for the collection, transportation and recycling of waste tyres.

- **Waste tyre recycling.**

Why is this topic so important?

Waste tires are a group of wastes that are practically not subject to natural decomposition. At the same time, it is a valuable raw material containing 69-81% of rubber, 14-25% of textile cord and 3-10% of metal cord, depending on the type of tyre.

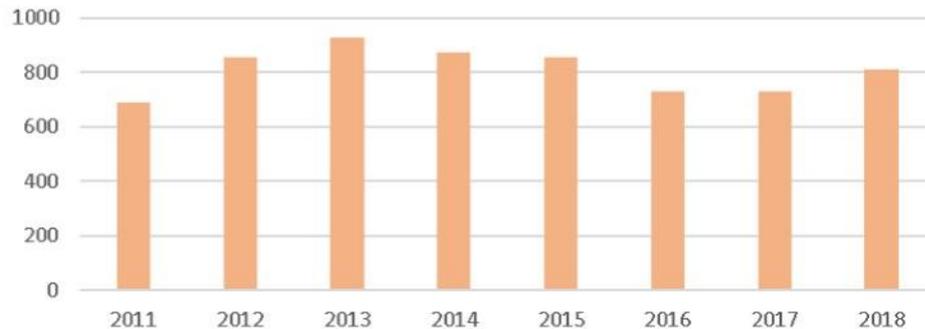
Municipal Solid Waste magazine № 6 2018, with reference to the marketing research of the company "Techart", reports that the volume of accumulated tyre waste in the world is more than 80 million tons. As of 2018 the following levels of waste tyres generation are reported for some developed countries:

Comparative analysis of waste tyre management in different countries

Country	Tyre formation volume, thousand tons	Taken to the landfill, %	Generating energy, %	Retreading, %	Getting rubber crumb, %	Export, %	Other, %
Germany	582	0	36,4	12,9	34,5	14,4	1,7
Great Britain	527	4,6	35,5	7,4	39,5	5,5	7,6
Italy	421	0	55,6	6,7	28,5	4,0	5,2
France	457	0	49,7	7,7	27,4	10,9	4,4
the USA	4039	12,1	47,6	n/a	32,1	2,5	n/a
Japan	1000	7,8	64,3	5,6	10,5	11,5	0,3

In the EU countries, since 2006, a legal ban on the disposal of tyre waste has been established. In Russia, waste from rubber tyres, tyre covers and tubes is included in the "List of types of production and consumption waste that include useful components, the disposal of which is prohibited", approved by the decree of the Government of the Russian Federation dated July 25, 2017, No. 1589-r. Since January 1, 2019, Russia has legally established a ban on the disposal of tyre waste. The purpose of this legislative initiative is to stimulate the tyre recycling sphere in the country.

Research by the HSE development Center "Waste recycling market" provides the following estimated volumes of tyre waste generation in thousands of tons in the Russian Federation for the years from 2011 to 2018:



According to this study, in 2017 the waste generation of tyres suitable for recycling amounted to 729,000 tons. At the same time, just under 95,000 tons were collected and recycled in 2017, which is 13% of the total amount of waste generated.

Currently, there is no reliable information about the total amount of tyre waste actually accumulated on the territory of the Russian Federation. According to the expert assessment made by EcoTyresUnion, the volume of waste tyres accumulated on the territory of the Russian Federation from 1990 to the present time is at least 11.5 million tons.

When released into the environment and into unauthorized landfills, waste tyres have a negative impact on the ecosystem and the population of the surrounding areas.

- Tyre landfills are flammable. When burning they produce toxicants of I-IV classes of hazard: pyrene, benzopyrene, dibenzoanthracene, phenanthrene, anthracene, fluoranthene, naphthalene, 2-methylnaphthalene, biphenyl, acenaphthylene, fluorene, acenaphthene, benzanthracene, chrysene, etc.;. All these substances have a harmful effect on the human body, some of them have acute cancerogenic effects.
- Tyre landfills poison the soil. Tyres dumped in landfills or buried in the ground are exposed to rain and ground water, which is accompanied by the leaching of toxic organic compounds: diphenylamine, dibutylphthalate, phenanthrene, etc. These compounds get into the soil, poisoning ground water and drinking sources, having a negative impact on the crop and the population of the surrounding territories.
- When tyre piles are located outside of specialized sites, they become an ideal breeding ground for rodents, blood-sucking insects and serve as a source of infectious diseases.

One of the most popular areas of tyre recycling in the world is their energy recycling. During this process tyres are burned under controlled conditions, and the resulting toxins are sent to the afterburning chamber of the exhaust gases.

To capture residual harmful substances at waste fired power plants, expensive gas cleaning systems are additionally needed, requiring constant maintenance and replacement of filter elements, which negatively affects the cost of electricity produced, making it more expensive in relation to electricity obtained in the traditional way.

Valuable end products that can be extracted from waste tyres are lost, leaving behind harmful ash and toxins that are difficult to reuse and require disposal in specialized landfills.

The most harmless and rational way to solve the problem of harmful effects of waste tyres is to recycle this waste to make products that are involved in economic turnover.

In Russia the markets for the treatment of pyrolysis oil, rubber crumb and products made from it are developing.

According to the above information, the world's largest waste tyre producer is the United States, in this country up to 4 million tons of waste tyres are generated annually. According to the Municipal Solid Waste magazine, 87% of tyres accumulated in the United States are recovered and recycled. This is possible due to the developed market in the United States for the use of rubber crumb as a modifier of asphalt coatings in road construction.

Now in Russia technologies for the use of rubber crumb in road construction have limited use. For the development of this market there is an urgent need for a legislative incentive or a decision in the state policy in the field of road construction. The presence of such a market will increase the demand for the production of rubber crumb.

Currently, with the assistance of EcoTyresUnion, the country is developing a system for tyre collecting and recycling. With the growing demand for the end products, every year more and more waste tyres are prevented from releasing to the environment and unauthorized landfills. In the long term, as recycling capacity increases, the process of eliminating the amount of tyres accumulated over the entire existence of the tyre industry will begin.

• **EcoTyresUnion today**

In July 2017, the 1st tender selection of companies providing services for waste tyre collecting, transporting and recycling was announced. Notifications were sent to 59 waste tyre recyclers known at the time. Each company participating in EcoTyresUnion tenders during these 4 years (from 2017 to 2020) in addition to the required documentation provides an offer within the tender framework, which indicates the readiness to recycle a specific amount of waste tyres at a specific price per ton, determined by the recycler himself. As a result of tender selection in 2017, according to the developed and approved Rules for tender selection, contracts for waste tyres collection, transportation and recycling were concluded with 9 recycling companies for a total volume of 34.6 thousand tons. Mandatory choosing condition was not only the necessary environmental and founding documentation with accordance to the Russian legislation, but also operational audit of recycling companies to ensure that they have the necessary equipment, infrastructure for the implementation of the process of waste tyres collection, transportation and recycling, to make sure of the company's stability.

Annual selection of recycling companies to conclude contracts for the provision of services for waste tyres collection, transportation and recycling is carried out in accordance with the Rules for tender selection, developed in accordance with the requirements of the current legislation of the Russian Federation (**Appendix No. 6**). Every year the Rules for tender selection are updated due to changes in the relevant legislation of the Russian Federation. Currently, the work on updating the Rules for tender selection to conclude the service contracts for waste tyres collection, transportation and recycling for 2021 is in progress.

One of the three main principles in the approach EcoTyresUnion is **(1) working only with real recyclers**. And everything is done to ensure that this principle is confirmed by practice.

In 2018, 32 recycling companies took part in the tender to conclude contracts for the provision of services, and 19 service providers were selected. Coverage by region has increased to 16 subjects of the Russian Federation. The first regional programs for waste tyres collection were launched (**Appendix No. 2**). Production of specialized containers for waste tyres and their installation in three regions has begun.

During the entire period of EcoTyresUnion operation in parallel with all other launched projects the multiple activities were carried out to identify really working recycling companies in the regions, inform them about the program of Extended Producer Responsibility and encourage them to participate in the tender. In 2019, 96 waste tyre recycling companies have been notified about the Tender.

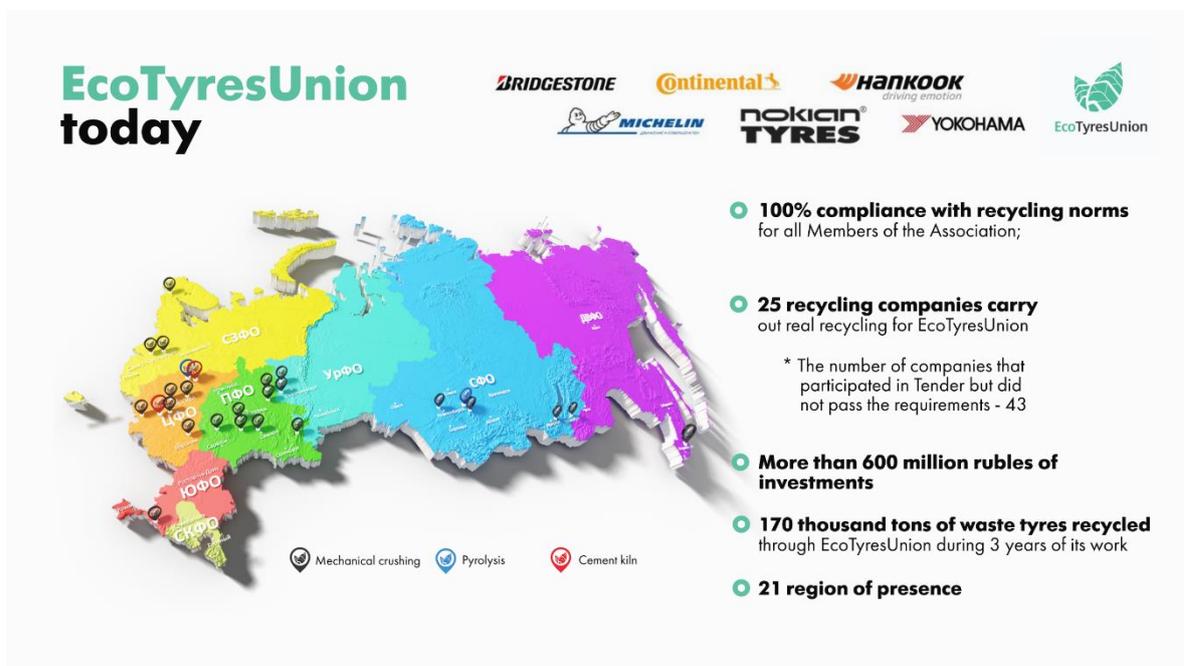
Withing the framework of the Tender in 2019 EcoTyresUnion received 45 applications from recycling companies to provide services. 21 companies were selected. The geography was further expanded and the number of regional programs launched increased. The coverage for the involved tyre centres, where the recycling partners of EcoTyresUnion collect waste tyres, got close to a thousand (table in **Appendix No. 3**). Over a dozen roundtables with the administrations of the Russian Federation subjects have been held (the information can be found on the website of EcoTyresUnion www.etu-rf.ru in the "News" section), tyre collection initiatives involve local authorities, in the municipalities remote from regional/republican centres waste tyres temporary storages are organized with the agreement of their regular collection by the recycling partner of EcoTyresUnion.

Based on the results of 3 years of cooperation, it was estimated that small and medium-sized businesses created 232 new jobs in their regions, and this is quite a serious coverage for such a short period.

Dynamics of job increase in recycling companies, EcoTyresUnion contractors, during the cooperation with EcoTyresUnion

No	Federal district	The increase in jobs. 2019 compared to 2017	Number of employees (based on Tender 2020 information)	The increase in jobs. 03.2020 compared to 2019
1	CFD	116	213	22
2	PFD	11	127	1
3	NwFD	5	20	3
4	UFD	19	46	10
5	SFD	16	57	6
6	SoFD	4	6	2
7	FEFD	17	14	0
	Total	188	483	44

Currently, in 2020, the number of contracting recycling companies is 25. 21 regions of the country are covered. The number of specialized containers installed specifically for collecting waste tyres has exceeded 400. We are working with the largest Russian distributors of new tyres. Tyre collection points map has been launched (map.etu-rf.ru), after being collected at these points the waste tyres go specifically to recycling. The number of enterprises specializing in OTR recycling (mining, logging, etc.) has grown to four. Kemerovo, Belgorod, and Sverdlovsk regions are involved. EcoTyresUnion pays special attention to the diversification of its recycling pool, and considers the OTR recycling segment extremely important for achieving high recycling standards in the segment of waste tyres, taking into account the current direction of our country's industry.

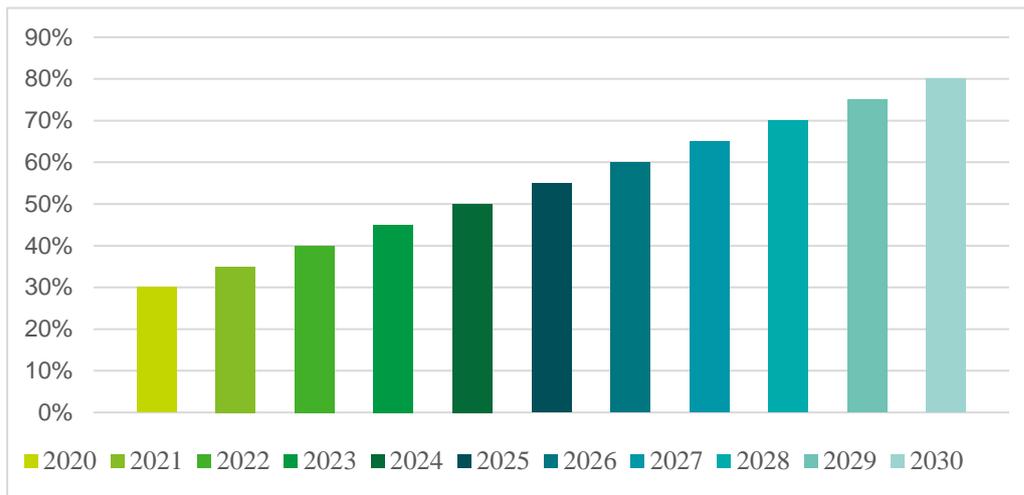


These are all aspects of implementing the second principle of EcoTyresUnion`s approach: **(2) launching of waste tyre collection programs in all segments of their formation.**

The EcoTyresUnion recycling pool includes recycling companies that use all three of the world's most common technologies for waste tyre recycling: mechanical crushing (production of rubber crumb, rubber tiles), pyrolysis (pyrolysis oil, carbon), and recycling in a cement kiln (production of clinker for subsequent cement production).

In 2019, business plans for development were made by EcoTyresUnion`s recycling partners, and the progress of these plans is checked annually. According to these plans, the total volume of tyres collected in 2022 will be 249,000 tons (dynamics – in **Appendix No. 4**), which will make up about 35% of the total volume of waste tyres produced in the Russian Federation. The number of operating lines with an annual capacity of 3 to 40 thousand tons will grow to 65 (**Appendix No. 4**). All this will allow EcoTyresUnion to meet the recycling norm at least 50% by 2024, and reach 80% by 2030.

Projected dynamics of increasing recycling norm for tyre wastes in Russia while maintaining the current annual 5% increase in the recycling norm for tyre wastes



In this way, the third principle of EcoTyresUnion approach is implemented: **(3) commitment to long-term development.**

EcoTyresUnion fully supports social initiatives in the regions where its recycling partners are situated. This includes volunteer campaigns to clear territories, riverbeds, courtyards, and sites of different institutions; educational/information programs, and the organization of free collection sites in municipalities far from regional centers. The degree of involvement varies from assistance in the pickup of collected waste tyres to direct sponsorship. The geography varies from Saint Petersburg and Moscow to Irkutsk and Vladivostok. During this time, more than 3000 volunteers participated in such initiatives and more than 28 Hectares of land were cleared. Some of these programs are presented in **(Appendix No. 5)**.

For EcoTyresUnion recycling companies are primarily allies and partners, which is why EcoTyresUnion pays special attention to providing information and consulting support to them. Thus, each contracting recycler of EcoTyresUnion gets access to organizational and legal models for the accumulation and collection of tyre wastes. EcoTyresUnion and its recycling partners build a development plan together, develop waste tyres collection initiatives in the regions, implement projects to attract other market participants to the process of waste tyres collection.

In its activities EcoTyresUnion tries to cover all aspects and areas that will eventually **result in achieving the rates of 80-90% of waste tyre collection and recycling** in the foreseeable future of 9-12 years (the experience of European countries that have passed the same path with the same regulation confirms these figures). This means the coverage of all segments (legal entity with their own fleet of vehicles, the population through tyre service centres, garage cooperatives, unauthorized landfills), involvement of all types of tyre wastes in recycling process requiring different types of recycling equipment (OTR, studded tyres, solid tires, tubes, etc.).

• The role of EcoTyresUnion

EcoTyresUnion is an Association of tyre manufacturers and importers that solves key tasks in the development of waste tyre recycling in Russia.

Stable and effective functioning of the waste management industry is possible only if a comprehensive and long-term approach is followed, which includes both continuous improvement of methodological and organizational solutions, and their full implementation with a focus on the long term. EcoTyresUnion operates in accordance with the best European practices for the organization of waste tyre management and combines the following key roles:

- ✓ Guarantor of real recycling;
- ✓ Center for development of solutions for the formation of a comprehensive waste tyre recycling system in the regions;
- ✓ Long-term partner.

Based on the roles outlined above, **the mission of EcoTyresUnion** is to form, develop and support a collection and recycling system for waste tyres of all types and categories throughout the Russian Federation

To fulfill this mission EcoTyresUnion focuses on achieving the following goals:

- Development of the tyre recycling system in Russia;
- Development of existing trustworthy recycling companies;
- Development of new, promising areas in the segment of waste tyre recycling (OTR);
- Creation of a transparent system of collection, transportation and recycling by organizing a thorough selection of recycling companies for the EPR fulfillment by the members of the Association.

As part of its activities, EcoTyresUnion performs a range of diverse functions that allow achieving effective results in the development of waste tyre management system. The main functions of EcoTyresUnion are:

- Organization of interaction at all levels (recycling companies, state and local authorities, regional operators, tire centers, etc.);
- The establishment of mechanisms to collect larger amounts of tyre waste;
- Improvement of the recycling market (modernization, growth, coverage);
- Development of models for confirming actual recycling;
- Legal and consulting assistance to recycling companies in organizing the correct document flow in accordance with the current legislation of the Russian Federation.

It is important to emphasize that the sphere of waste tyre management is the only segment of the waste management industry where active interaction and cooperation between the Association of tyre manufacturers and importers and the Association of recycling companies has been established and is successfully developing. The first unifying factors are the common interests and unity of final goals-the growth of recycling volumes.

• EcoTyresUnion plans by 2024*

In the field of waste management, as in any branch of the economy, constant progress and improvement is required. EcoTyresUnion is aware of the importance of long-term planning and sets targets for key areas of its activities.



The volume of recycling: 200,000 tons (annual), in total from the start of activity: more than 800 000 tons



Number of regions covered: 44



Long-term partners engaged in real recycling of waste tyres: more than 45



The number of tyre service centres covered: 4 000



The number of specialized containers installed: 3 000

*In the recycling segment EcoTyresUnion plans to recycle more than 800 thousand tons of waste tyres by 2024

*Geographical diversification is planned to increase almost twice and by 2024 will cover 44 subjects of the Russian Federation that are involved in waste tyre collection and recycling programs and more than 45 long-term partners that are engaged in the actual waste tyre recycling.

*In the waste collection segment, together with recycling companies it is planned to organize 7 thousand waste tyre reception points, including:

- up to 4 thousand - the number of tyre service centres involved;
- up to 3 thousand – the number of containers;

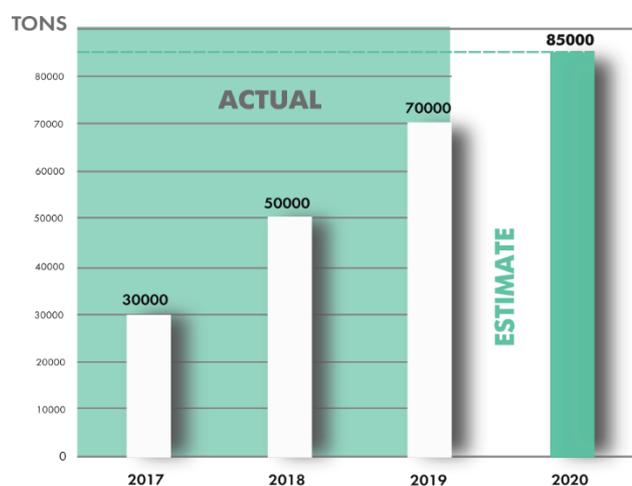
Appendix №1

A brief summary of the activities of EcoTyresUnion in numbers (2017-2020)

The results of the EcoTyresUnion activity showed high efficiency and effectiveness of independent EPR fulfillment through the organization of an industry Association, which in the regional context contributed to the formation of the foundations of a comprehensive tyre recycling system. Thanks to a detailed strategy, over a relatively short period of time, EcoTyresUnion has achieved significant results.

- 170 thousand tons of tires have been recycled;
- Contracts with 26 recycling companies across the country in 2020;
- Coverage: 21 regions of the Russian Federation (list in Appendix No. 3);
- More than 600 million rubles were received by the tyre recycling industry through EcoTyresUnion;
- 232 new jobs at recycling plants in various regions of the country;
- Improvement in working conditions at recycling plants due to requirements claimed by EcoTyresUnion to its contracting parties;
- More than 950 tyre service centres are involved in waste tyre collection;
- More than 400 specialized containers have been installed;
- The first major distribution chains are involved;
- An interactive map with waste tyre reception points has been launched;
- Participation in more than 10 public events, through which 8,400 tons of tyres were collected from 28 Hectares with the involvement of more than 3,000 volunteers;
- Interaction with regional administrations and local governments to launch regional collection programs or integrating waste tyre collection programs in general regional environmental programs, as well as informing all groups of the producers of this type of waste, where they can hand over waste tyres;
- Interaction with regional operators in order to pick up those tyres that they get as part of the MSW (tires are not MSW);
- Work in all segments of the formation of various categories of tyres (including OTR that are difficult to recycle);
- Each recycler has a 4-year development plan (collection, capacity, infrastructure).

Volumes of waste tyre recycling from 2017 to 2020 with the participation of EcoTyresUnion



Appendix №2

The regional pilot programs for the waste tyre collection

Pilot programs were launched in Moscow, Leningrad, Sverdlovsk and Primorsky regions

ELTs' collection programs

A balanced, well-thought-out and adapted to local features and specifics ELTs' collection program is worked out in each region of presence

- More than 950 tyre service centres are involved
- 400 containers installed
- The first new tyre distribution chains are involved

Join the ecological mission of EcoTyresUnion



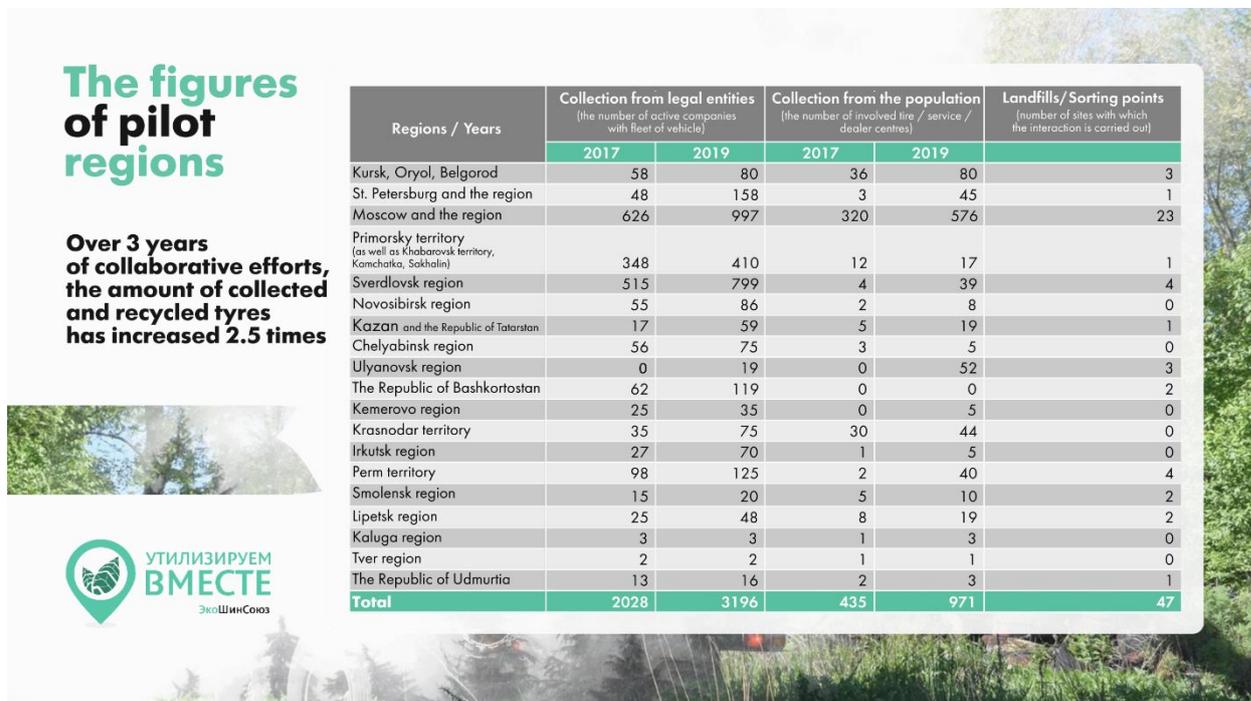
Then Irkutsk, Lipetsk, Smolensk, Ulyanovsk, Perm regions and the Republic of Tatarstan joined the program. In 2020, it is planned to involve several more regions, including Penza region, the Republic of Buryatia and Bashkortostan.

The number of regions involved is planned to increase every year.

Appendix №3

Dynamics of growth of tyre/service centres, legal entities with fleet of vehicle, as well as regional operators/sorting complexes at landfills involved in the process of waste tyre reception

Pilot regional programs, as well as active measures to expand the coverage of collection by recycling partners of EcoTyresUnion have led to a significant increase in the waste tyre collection:



In the regions where we operate both the number of legal entities with their own fleet of vehicles and the number of tyre/service/dealer centers that give tyres to our recycling partners have grown. The number of sorting sites/polygons/regional operators that saw the feasibility of interacting with EcoTyresUnion partners on the type of waste that they do not have in their range of responsibilities (not MSW) has increased.

The work, with varying degrees of intensity, is carried out in all regions where EcoTyresUnion has recycling partners that provide services for collection, transportation and recycling for the Association under the Extended Producer Responsibility. At the moment there are 21 of them:

- 1) Irkutsk region
- 2) Kemerovo region
- 3) Krasnodar territory
- 4) Leningrad region
- 5) Lipetsk region
- 6) Moscow
- 7) Moscow region
- 8) Novosibirsk region
- 9) Penza region
- 10) Perm region
- 11) Primorye territory
- 12) the Republic Of Bashkortostan
- 13) The Republic Of Buryatia
- 14) the Republic Of Tatarstan
- 15) Samara region
- 16) Saint Petersburg
- 17) Sverdlovsk region
- 18) Smolensk region
- 19) Ulyanovsk region
- 20) Chelyabinsk region
- 21) Yaroslavl region

Appendix №4

Growth of collection volumes and capacities of recycling companies – EcoTyresUnion partners

In accordance with business plans developed with each recycler an annual growth in waste tyre collection and, consequently, the growth of coverage areas and a corresponding increase in capacity, as well as new markets for the end products of the recycling process, are planned. However, tyre collection is of highest importance. It is its complexity that sets the progression and regularity of the process of waste tyre recycling volume increase. Below are **the plans for increasing the collection volume** of recycling companies that fulfill the norms for EcoTyresUnion:

Collection of tyre waste (tons) by EcoTyresUnion contractors					
		Legal entities, tons	Private persons, incl. indirectly, tons	Local governments and public organizations, tons	Total, tons
2019	By collection segments	77 400	43 950	8 370	119 720
2020	By collection segments (plan)	105 765	57 951	13 766	163 482
2021	By collection segments (plan)	127 095	63 385	17 515	193 995
2022	By collection segments (plan)	158 790	69 326	21 004	234 120
Total for 4 years:					711 317

The number of full recycling lines of EcoTyresUnion partner companies that fulfill the norms for the Association will grow from 33 this year to 65 in 2022. This is very significant, considering the size of the enterprises involved in this segment of recycling, and taking into account the cost of each line of such kind from 40 to 150 million rubles. Specific lines and plans for modernization and procurement of new equipment is described in detail in business plans of recycling companies developed together with EcoTyresUnion.

The actions of EcoTyresUnion essentially bring small businesses up to a whole new level of work:

- Encourages coverage of more tyre segments;
- Allows to increase capacity with a harmonious load;
- Helps to form legally correct processes of interaction with waste generators of all types;
- Helps to correctly build internal document flow;
- Encourages improvement of the internal infrastructure of the enterprise;
- Encourages improvement in the level of safety of working conditions;
- Helps to establish effective interaction with local authorities.

Appendix №5

Support of social initiatives by EcoTyresUnion and its contractors – recycling companies

With the active assistance of EcoTyresUnion, the Association's partners actively conduct tyre collection campaigns and implement public initiatives in the regions where they operate:

Novosibirsk and the region

Ecological campaign "Ecobattle. Left Bank vs Right Bank", held on September 14, 2019 in Novosibirsk, united students and all concerned residents of the city who gathered to clean the coastal zone of the Ob river from garbage. The partner of EcoTyresUnion, LLC "Albion-S", was one of the organizers of the action and accepted for further recycling all the waste tyres collected during the campaign.



Perm and the region

1. The campaign "Sort with heart".
2. Large campaign for the people and businesses on free collection (transportation) and recycling under the name "Operation "the Tyre»
3. Annual environmental rafting "ObereGaiva": 25 teams with a total number of more than 100 people took part in the 2019 rafting. With the help of five underwater hunters the teams collected about a ton of tyres during the rafting!
4. "Clean games" is a large team competition for collecting and sorting garbage in natural areas. In 2019, 4 stages of the competition were held in various districts of the city of Perm. In total, during the event, participants collected 173 tires, which were sent for recycling to the partner of EcoTyresUnion- the company LLC "Bumatika".



Irkutsk and the region

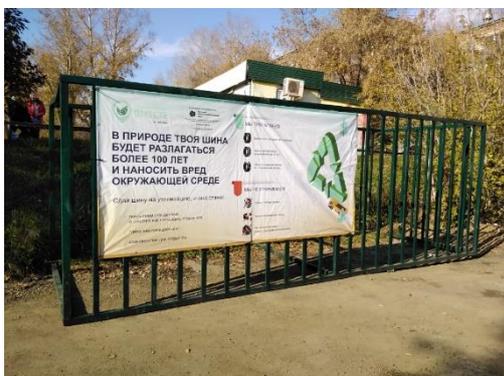
A large campaign for separate garbage collection and cleaning of Komsomolsky island on the Angara river together with representatives of the regional ONF and residents of Irkutsk - the liquidation of 11 unauthorized garbage landfills!



Construction of a mini-football field after the flood in Tulun



LLC "Irkutsk Rubber processing Plant" together with the initiative group "Clean future" opens a network of points for receiving waste tyres, tyre covers, pneumatic tubes.



The Republic of Tatarstan

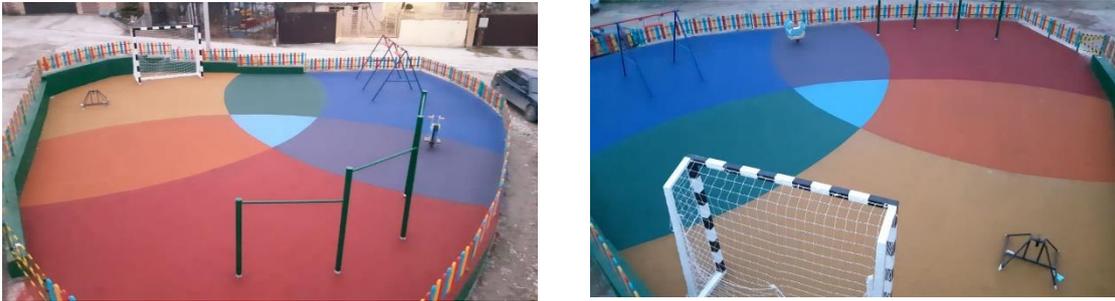
Participation in environmental campaigns and programs on the territory of the Republic:

ENVIRONMENTAL CAMPAIGN with the participation of school №146



Krasnodar territory, Novorossiysk

The partner of EcoTyresUnion - LLC "Novorossiysk processing company" - provides active support to the processes of urban beautification. In particular, in 2019, the company presented the children of Novorossiysk with a colorful, injury-safe playground.



Chelyabinsk region, Magnitogorsk

In 2019, the company LLC "Podyemnik" (the partner of EcoTyresUnion) held common campaigns together with the Department of ecology of the administration of Magnitogorsk to collect waste tyres on the territory of the city.

Implementation of the national project "Clean air" in Magnitogorsk.



Leningrad region

The partner of EcoTyresUnion, the company LLC "Premio Crumb", for several years has been the initiator of many initiatives to collect waste tyres in the region:

Sites for waste tyre accumulation from the population



- Organization together with the district administrations of Saint Petersburg and the region

Work with tyre service centres



- A map of tyre service centres that accept tyres from the population is created

Containers for free tyre reception



- Installation of containers for free tyre reception from the population at Gazpromneft gas stations

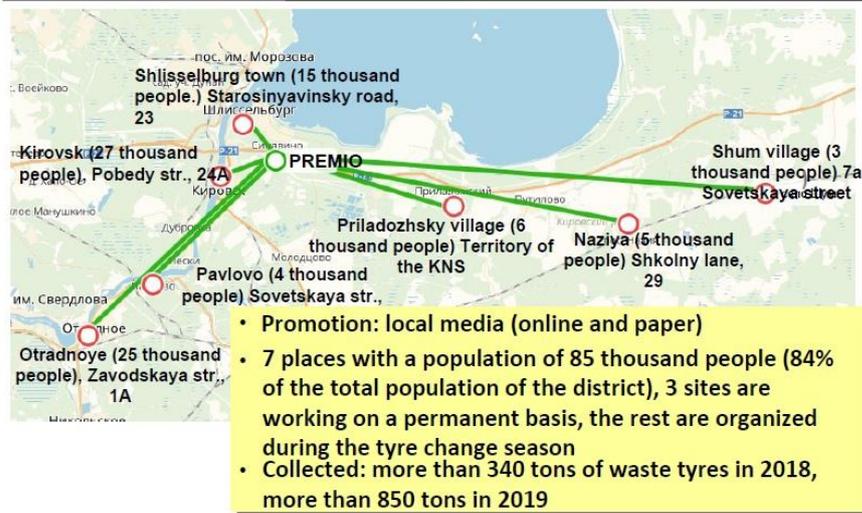
Work with public organizations



- For 3 years - a partner of "Wheel hunt" - the eco-game to clean the forests from tyre landfills



"Clean the area from tyres" campaign in the Kirov district of the Leningrad region, results of 2018-2019



Ulyanovsk and the region

In 2019, the partner of EcoTyresUnion, LLC SimbirskVtorResurs, opened 4 tyre collection points on the territory of Ulyanovsk

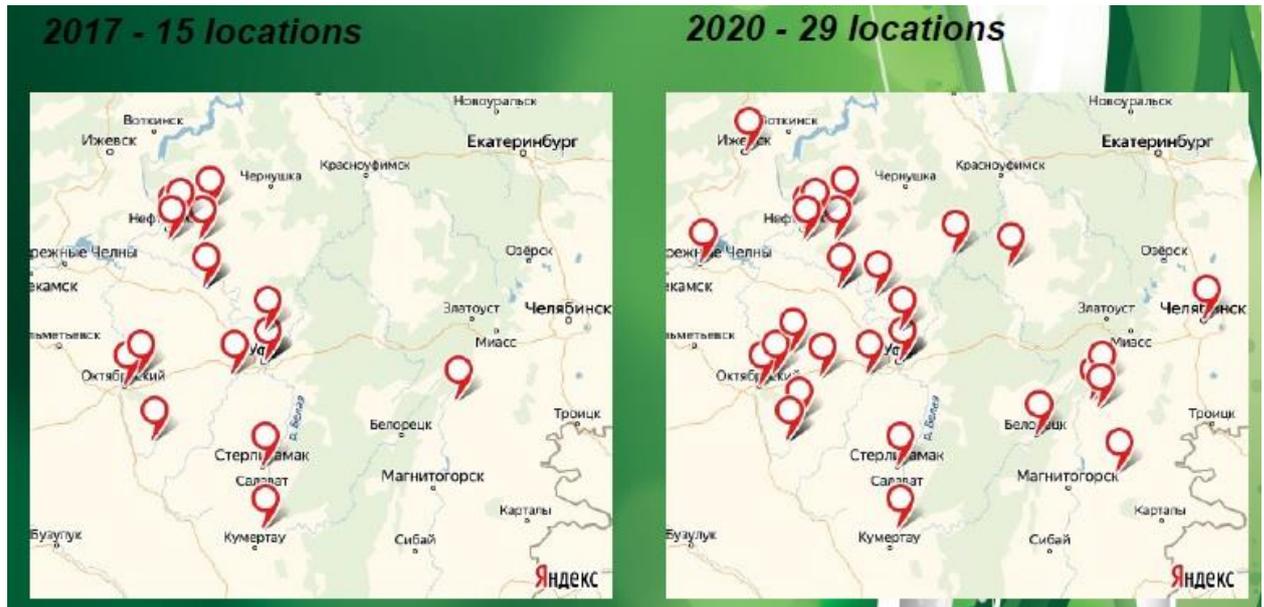
The launch of "Eco Taxi" for waste tyres in the city of Ulyanovsk

In Ulyanovsk, volunteers eliminated unauthorized tyre landfills on the banks of the Sviyaga river.



The Republic of Bashkortostan

The achievements of the company LLC "Triumf" - the partner of EcoTyresUnion:



August 30, 2019-Participation in the Industrial exhibition dedicated to the day of Neftekamsk



April 24, 2019-Participation in the Republican forum "Upravdom"



Vladivostok and Primorye territory

Environmental project "SAY NO TO DUMPS".

Annual project "Dream Island" - cleaning of the island territories

near the city of Vladivostok from unauthorized landfills (including tyre landfills).



Sverdlovsk region

"Ecological youth force" - elimination of unauthorized landfill on the territory of the city of Nizhny Tagil.

In 2019, unauthorized tyre landfills were also eliminated in: Yekaterinburg, Nizhny Tagil, Nizhnyaya Tura, Serov, Nvyansk, Krasnouralsk, Ivdel, the Chusovaya River nature reserve, and the Dolgaya Mountain Park»

A lot of waste tyres were collected by eco-volunteers during the "Tagil walk" tourist trip

Campaigns "Give tyres for recycling -save nature!"

Participation in the "Clean games" program



Moscow region

- Elimination of unauthorized landfills: Moscow region - Klin, Sergiev Posad, Iksha, Solnechnogorsk, Mozhaisk, Dmitrov, Tver region, Moscow-Novokosino district
- Unauthorized landfill of the Vnukovo territorial district
- Transportation of tyres under the campaign «Clean Dmitrov. Separate waste collection»
- Shina-2018 Campaign (with the support of the Ministry of ecology of the Moscow region)



Lipetsk and the region

Lipetsk has launched a program to collect waste tyres from the population and recycle them - at the initiative of the city administration, EcoTyresUnion and its partner - the company " Ecocenter of recycling and innovative technologies»



Appendix №6

Rules for EcoTyresUnion tender selection (2019)

The procedure for recycling companies' selection to conclude further contracts for the provision of services for the waste tyre collection, transportation and recycling is established by the rules for tender selection, which are updated and approved by EcoTyresUnion annually.

Below in this Appendix, we will only provide a list of requested documents based on the rules for tender selection in 2019, and also remind that in addition to the documents EcoTyresUnion bases its decision on the results of operational audits, which are mandatory for all recycling companies that have submitted their applications to participate in the tender.

The tender documents include:

1. *Commercial offer for participation in the tender, made according to the form provided in Appendix 2 to these Rules;*
2. *Information about the company/group of companies (it is allowed to provide this information in the form of a presentation) with a description of the organizational structure: the list and members of management, the presence of subsidiaries, affiliates, separate divisions, names and quantity of members of departments in the company and other information;*
3. *Founding documents (Foundation agreement, Charter) in the latest version;*
4. *Founding documents as amended on the date of the decision on the appointment of the sole Executive body (for example, the General Director) or a collegial Executive body (for example, the Board);*
5. *The governing body decision on the appointment of the sole Executive body (e.g. the General Director) or collegial Executive body (e.g., the Board) (the protocol or decision depending on control body);*
6. *Order of the General Director / Director on taking office;*
7. *A copy of the balance sheet, statement of financial results for 2018 and the first half of 2019, and confirmation of their acceptance by the tax authority;*
8. *Certificate of state registration of legal entity;*
9. *Certificate of registration with a tax authority;*
10. *Order of the General Director / Director on the appointment of the chief accountant (if the functions are performed by a third-party accounting service provider, then contracts with such counterparty are provided);*
11. *Bank card with samples of signatures of persons entitled to sign: the sole Executive body (for example, General Director, Director) and other employees entitled to sign, including on the basis of an administrative act, power of attorney (notarized or certified by the Bank);*
12. *Power of Attorney for all representatives of the legal entity who are authorized to sign the agreement itself (if it is not signed by the head of the company), and primary documentation (delivery documents, acts and invoices);*
13. *Documents confirming the authority of the person who issued the power of attorney.*

2.2.3. If the power of attorney has been issued by not acting manager, the following documents shall be submitted:

- *Resolution on appointment / minutes on election of the manager that has issued the power of attorney, on the basis of which such person has acted upon issuance of the power of attorney;*
- *Organizational documents as amended on the date of issuance of the power of attorney.*

If the power of attorney has been issued by any other person, the following documents shall be submitted:

- *Power of attorney for such person;*
 - *Documents confirming the powers of the person issuing the power of attorney.*
- 14. Notification of application of the simplified tax system, Informational letter (FORM n 26.2-7) (if applicable);*
 - 15. VAT returns for all reporting periods of the previous financial year and the current year (pages: title page, sections 1-3) with the tax authority's mark/Protocol of acceptance;*
 - 16. Tax clearance certificate issued by the tax authority no later than 90 days from the date of sending the documents to EcoTyresUnion;*
 - 17. Documents for office premises/building at the place of state registration and at the place of actual location of the legal entity (including an extract from the Unified State Register of Real Estate on property from the date, no later than 30 days before the date of provision, certificate of ownership, extract from the lease/sublease agreement);*
 - 18. List of fixed assets (if leased, attach copies of lease agreements) according to the form in Appendix 3;*
 - 19. Description of technical equipment (equipment for providing Services): the composition of the production line, manufacturer, capacity, quantity and other information (according to Appendix 4);*
 - 20. Service provider's License for collection, transportation, processing, recycling, neutralization and disposal of waste of I - IV hazard class, including the Appendix;*
 - 21. Form of Federal Statistical Monitoring No. 2-TP (waste) "Information on the formation, use, neutralization, transportation and disposal of production and consumption waste" for the previous 2 calendar years (2017 and 2018);*
 - 22. Accounting materials on the wastes produced, used, neutralized, transferred to others or received from other entities are disposed for 2018 in accordance with the order of the Ministry of Nature of Russia from 01.09.2011 № 721 "On approval of accounting in the field of waste management", Appendix No. 2 and Appendix No. 4 (2017 and 2018);*
 - 23. Information about the state registration of an object:*
 - 23.1. Certificate of state registration of the object of negative impact with indication of the category by the level of negative impact on the environment;*
 - 23.2. Application to the territorial Rosprirodnadzor authority with a description of the enterprise for state registration of the object of negative impact with the assignment of the category of negative impact on the environment;*
 - 24. Passports of hazardous waste intended for recycling within the framework of cooperation with EcoTyresUnion, with a mark of territorial Rosprirodnadzor body on receipt of passports' blanks with notice (scan of incoming letter/screenshot from the personal account of natural resource user);*
 - 25. List of working specialists employed on the waste recycling line;*
 - 26. Qualification documents confirming the training of personnel to carry out activities with waste;*
 - 27. Schematic map of the location of waste accumulation sites. Photo of each waste storage site;*
 - 28. Information about waste storage sites, indicating the capacity of waste storage sites (in tons), indicating the area of the accumulation site and the nature of the coating;*
 - 29. Form "Description of the technological process of waste recycling" (Appendix 5);*
 - 30. Form "Contractors" (Appendix 6);*
 - 31. Information about the possibilities for the collection of waste (Appendix 7);*
 - 32. Enterprises that have facilities for waste disposal and (or) neutralization on their balance sheet, as well as enterprises that belong to the I-th category of negative impact on the environment, must provide Opinion of a state environmental expert review panel approved by the authorized bodies or an official response from Rosprirodnadzor that the State Environmental Expert Review is not required;*

33. Document, on the basis of which a contracting party has, on the right of ownership or another real right the production areas, where the Services shall be provided (extract from the Unified State Register of Real Estate or lease agreement):
 - 33.1. Land used for waste storage;
 - 33.2. The area where the equipment or/and the line used for waste recycling is installed;
 - 33.3. Warehouses for end products` storage;
34. Contract for the export of MSW and recycling of other hazardous wastes of production and consumption;
35. Contract for water use and disposal;
36. Program of industrial environmental control (according to the Order of the Ministry of natural resources of the Russian Federation from 28.02.2018 № 74);
37. Report on the organization and results of the industrial environmental control process;
38. Environmental documentation by document sets in accordance with the category of negative impact of the object:
 - For enterprises of the I-st Category – document set described in 38. 1.
 - For enterprises of the II-nd Category - document set described in 38. 2.
 - For enterprises of the III-rd Category - document set described in 38. 3.
 - Objects of negative impact of category IV present only a set of documents described in this list.

38.1. The set of environmental documentation for objects of the I-st Category of negative impact:

1. Complex ecological permission (**Obligatory to provide**)*:
 - 1.1. Standards for permissible emissions of harmful substances into the air;
 - 1.2. Standards for disposal of harmful substances into water;
 - 1.3. Standards for waste generation and limits on their disposal;
 - 1.4. Technological standards;

*In the absence of a Complex ecological permission issued, it is allowed to provide environmental documentation valid at the enterprise before obtaining a Complex ecological permission.
2. The project of sanitary protection zone (SPZ) (**Obligatory to provide**):
 - 2.1. Schematic map of SPZ location;
 - 2.2. Information about production control at SPZ;
 - 2.3. Safety and health certificate for SPZ;
3. Information about recycling facilities and waste collection sites in accordance with appendixes 10, 11 to the Rules for creating, operating and modernizing a unified state information system for accounting of waste from the use of goods, approved by the Decree of the government of the Russian Federation dated 30.12.2015 N 1520 On the unified state information system for accounting of waste from the use of goods;
4. 2-TP (Air);
5. 2-TP (Recultivation);
6. Regulatory and technical documentation for commercial products obtained in the process of recycling:
 - 6.1. Technical specification;
 - 6.2. Conformity certificates.

38.1. The set of environmental documentation for objects of the II-nd Category of negative impact:

1. **Complex ecological permission (Obligatory to provide)*:**
 - 1.1. Standards for permissible emissions of harmful substances into the air;
 - 1.2. Standards for disposal of harmful substances into water;
 - 1.3. Standards for waste generation and limits on their disposal;

**In the absence of a Complex ecological permission issued, it is allowed to provide environmental documentation valid at the enterprise before obtaining a Complex ecological permission.*
2. **The project of sanitary protection zone (SPZ) (Obligatory to provide):**
 - 2.1. Schematic map of SPZ location;
 - 2.2. Information about production control at SPZ;
 - 2.3. Safety and health certificate for SPZ;
3. Declaration on environmental impact;
4. Information about recycling facilities and waste collection sites in accordance with appendixes 10, 11 to the Rules for creating, operating and modernizing a unified state information system for accounting of waste from the use of goods, approved by the Decree of the government of the Russian Federation dated 30.12.2015 N 1520 On the unified state information system for accounting of waste from the use of goods;
5. 2-TP (Air);
6. 2-TP (Recultivation);
7. **Regulatory and technical documentation for commercial products obtained in the process of recycling:**
 - 7.1. Technical specification;
 - 7.2. Conformity certificates.

38.3. The set of environmental documentation for objects of the III-rd Category of negative impact:

1. Report of small and medium-sized businesses;
2. **The project of sanitary protection zone (SPZ) (Obligatory to provide):**
 - 2.1. Schematic map of SPZ location;
 - 2.2. Information about production control at SPZ;
 - 2.3. Safety and health certificate for SPZ;
3. Declaration of payment for negative impact on the environment for determining and making payment for NEI + payment orders;
4. Inventory of NEI sources;
5. Permit for air emissions;
6. Information about recycling facilities and waste collection sites in accordance with appendixes 10, 11 to the Rules for creating, operating and modernizing a unified state information system for accounting of waste from the use of goods, approved by the Decree of the government of the Russian Federation dated 30.12.2015 N 1520 On the unified state information system for accounting of waste from the use of goods;
7. 2-TP (Air);
8. **Regulatory and technical documentation for commercial products obtained in the process of recycling:**
 - 8.1. Technical specification;
 - 8.2. Conformity certificates.