



ETRMA Feedback to the Inception Impact Assessment on the review of the Sustainable products initiative

Brussels, 10th November 2020

The European Tyre & Rubber Manufacturers' Association (ETRMA) and its members count around 4.300 companies in the EU, employing directly 360.000 people. ETRMA tyre company members represent 59% of the global tyre sales. We have strong presence in the EU and candidate countries with 93 tyre-producing plants and 17 R&D centres. The EU industry of General Rubber Goods, GRG, includes approximately 6000 companies, most of them SMEs. EU production is estimated in 5.1 million tons of tyres and 2.3 million tons of GRG.

Tyres are essential to the functioning of multiple elements within the mobility system – they have an important role in road safety, they can contribute to CO2 reduction from transport as well as to the optimisation of other performances (e.g. traffic noise), and through more recent technological developments around tyre's digitalisation they can enable predictive maintenance and reduce traffic congestion, amongst other benefits.

Tyres are high-tech engineered articles, requested to perform under extreme conditions without compromising key environmental performances (e.g. energy efficiency) nor the key role of tyre on road safety. Therefore, **an element of tyre's sustainability is the equilibrium between its environment- and safety-related performances and attributes.**

Additionally, present and expected trends in tyre's use are linked with Tyre-as-a-Service (TaaS) and more broadly with Mobility-as-a-Service. On the one hand, retreaded (i.e. remanufactured) tyres for heavy-duty vehicles are often part of an integrated connected services model. On the other hand, "smart tyres" (e.g. tyres with digital attributes) as part of "smart mobility" and in-vehicle data ecosystems have the potential to take further the TaaS model and expand the access to high quality products. TaaS can improve the sustainability footprint of tyres during use, e.g. drivers obtain more real-time information about performances related, but not limited to, fuel efficiency safety. At the same time, TaaS can ensure an optimal interaction between the elements that have a high impact on sustainable mobility, e.g. interactions amongst vehicles, drivers, and infrastructure.

All these aspects related to the use and placing on the market of tyres must be taken into account when defining EU's Sustainable Product Policy (SPP).

ETRMA believes that the SPP offers an excellent opportunity to capitalise on existing technologies, best practices and rules at the tyre sector, which could find wider implementation to serve the purposes of a circular economy.

In view of the ongoing SPP Inception Impact Assessment, ETRMA would like to make the following recommendations – both in relation to key principles in designing the SPP, and to aspects related to tyres and rubber goods.

I. General Recommendations for SPP:

1. The emerging SPP initiative shall strike a **balance among environmental, social - including safety - and economic objectives** for products and services. This is particularly needed when considering sectorial specificities.

In the case of tyres, many various performance requirements have to be met – adequate grip, cornering and braking on dry, wet, winterly roads; reduced CO2 and noise from road transport, to name just a few. These often have antagonistic drives; therefore the optimal equilibrium amongst them is a function of the product's purpose and application.

In the case of for instance, General Rubber Goods, GRG, that are part of complex products, such as O-rings in aircraft or automotive, there are complex and strict technical requirements set in standards¹ where safety is the main and outmost driver.

The SPP should consider and preserve this balance. Improving this equilibrium is also a key commitment of rubber industry research and development.

2. The SPP shall be built on **sector-by-sector robust assessments and approaches**. This is related also to the demand for science-based rules and proven economic and technical viability of products, technologies and services, in line with the Better Regulation principles. A dedicated sectorial approach should take into account existing product standards and legislations in place, to create congruity and complementarity, while avoiding duplication or overregulation.
3. **Effective enforcement and market surveillance** are essential for existing and future rules. In this context, we expect to see continuous efforts by relevant EU and national authorities for proper implementation of relevant legislation for tyres and rubber goods, such as the EU Tyre Label², REACH, the General Safety Regulation³, Food Contact materials regulation for GRG⁴, to name just a few. This is essential to **secure a level playing field** for EU and non-EU producers.
4. **Incentives at points of sale and through green public procurement** for products and services would create some congruity between the supply and the demand side along environmental and social objectives. Incentives should be given on the basis of standardised tests and criteria to products and services with strong proven contribution to both environmental performances and to (road) safety.
5. **Homogeneity of the EU actions** – for both rules and for incentives – is crucial for the integrity and effective functioning of the Single Market, for a level playing field for consumers and ultimately for meeting the EU policy objectives. The SPP shall strongly avoid a piecemeal of national initiatives at different levels but set a synchronized approach amongst the EU and Member States.

¹ An example of many standards applied to general rubber goods. *Aerospace standard, gland design, o-ring and other elastomeric seals as4716*: This SAE Aerospace Standard provides standardized gland (groove) design criteria and dimensions for elastomeric seal glands for static and dynamic applications. The glands have been sized to provide sufficient squeeze for effective sealing while at the same time limiting squeeze to allow satisfactory operation in dynamic applications. While specifically designed for standard size O-rings, these glands are also to be used with other elastomeric seals.

² https://ec.europa.eu/info/energy-climate-change-environment/standards-tools-and-labels/products-labelling-rules-and-requirements/energy-label-and-ecodesign/energy-efficient-products/tyres_en

³ (EU) 2019/2144

⁴ (EC) No 1935/2004

6. Implementation as much as possible of **proven, relevant international standards** to achieve the EU SPP goals. Amongst several benefits, such approach could help the EU set a benchmark at the global level, while also contributing to a level playing field on the EU market.

II. Tyres and Rubber Goods in SPP:

1) Policy Objective for Reliable Information: A Right Tool for Consumers

The **EU Tyre Label** is an established regulatory tool with adjacent standardised test methods and criteria. The performances included in the current tyre label have been proven by the legislator as the most relevant for consumers, and feasible in terms of test methods – both for environmental and safety performances. For any inclusion of new criteria on the official Tyre Label, or new approaches (i.e. eco-design) in order to further sensitize consumers on environmental aspects of tyres, the legislator should perform profound consumer surveys, amongst other impact assessments, to determine how much users are interested in environmental aspects related to tyres, and – even more importantly – to what extent environmental aspects would effectively drive purchasing decisions.

Furthermore, as mentioned above, market surveillance and enforcement remain of paramount importance also for this piece of legislation. To unleash further the potential that the EU Tyre Label offers to consumers, the environment, and road safety purchasing incentives for the highest graded tyres should become a more consistently established practice across all the EU Member States⁵. Incentives in relation to tyres should be based on the combined performances for environment and safety according to the EU Tyre Label (respectively, the rolling resistance and the wet grip grades).

2) Policy Objective for More Circular Products: The Potential of Reuse and Recycling

The Sustainable product framework and methodologies shall put in value End-of-Life Tyres' (ELT) reuse and recycling. In Europe, the tyre industry has successfully established an effective system for ELT collection and treatment. As much as 91% of ELTs in 32 countries across Europe are collected and treated for material recycling and energy recovery in 2018⁶. The sustainability, reliability and efficiency of the value chain has nourished a quality industry of reuse and recycling business models such as *tyre retreading* and *ELT granulation, thanks also to the implementation of ELTs management schemes based on the Extended Produced Responsibility approach*.

Tyre retreading, which is a type of remanufacturing, is a common practice in the tyre industry where some tyres for heavy duty vehicles (e.g. trucks, buses, also in aviation) are designed to be retreaded and therefore reused several times, offering significant benefits in terms of materials savings⁷. In this sense, SPP in combination with Green Public Procurement should also incentivise the use of retreaded tyres for fleets.

⁵ An example is the *De Minimis* programme in Germany that offers bonuses and incentives to commercial fleets for tyres with A or B level, as well as for retreaded tyres for heavy duty vehicles.

⁶ Source ETRMA : <https://www.etrma.org/library/europe-91-of-all-end-of-life-tyres-collected-and-treated-in-2018/>

⁷ Retreading saves about 70% in Resource Extraction (avoided need for tyre casing), 29% in Land Use (avoid need of Hevea growing area [as resource for natural rubber NR]), 24% in CO2 Emissions, 21% in Air Pollution and 19% in Water Consumption. Ernst & Young report "The socio-economic impact of truck tyre retreading in Europe".

Retreaded tyres are often part of an integrated services model (Tyre-as-a-Service) which helps reduce resources further significantly through a customised and optimised approach to tyre management.

ELT derived rubber granulates' applications: ELT processing valorise textiles, steel and rubber included in ELT. After shredding and removal of the steel and fabric components, the remaining rubber is reduced to rubber granulates. Applications of ELT rubber granulates include moulded rubber products such as wheels for caddies, dustbins, wheelbarrows and lawnmowers, urban furniture and signposts. Rubber granulates and powder can also be found as flooring for playgrounds, as athletic tracks, as shock absorbing mats for schools and stables, as paving blocks or tiles for patios and swimming pool surrounds as well as roofing materials.

Moreover, recycled tyre and rubber material can be used for road construction (“rubberized asphalt”), a very promising application, already largely adopted in other part of the world, such as U.S.A., which along with an added value to circular economy, can also provide benefits –for optimisation of some tyre & road performances (e.g. reduced rolling resistance and noise).

Currently, approximately half of the ELT derived rubber is used for product applications and the other half is used for energy recovery (i.e. incineration)⁸. We continue our efforts made in the last years to stimulate more market outlets for reusable/recyclable, but there is still a great potential. We hope that the Green Deal, the Circular Economy Strategy and in particular the Sustainable Product Policy would stimulate more upcycling of ELT-derived material, promoting the market of products made with recycled materials and supporting, for example through fund and incentives, the development of new sustainable applications

The above illustrated two examples of current practices in reuse and recycling of ELTs for new products show the complexity of the ELT-derived value chain. We ask the legislator for further exploration of ELT value chains, with the right indicators for recycling and reusability.

One of the objectives of the SPP is to increase recycled content in products. We endorse the principle of and endeavours towards recyclability/up-cyclability, and as mentioned above there are existing practices of end-of-life tyre recycling into other products. Such practices have the potential to further expand. When it comes to minimum recycled content in tyre production however technologies would still need substantial development and maturity to meet not only demands of the circular economy, but also essential technical performances of tyres. Therefore, we call for a thorough sector-by-sector feasibility approach before the legislator stipulates for minimum required recycled content. We also call for attention and resources in R&D to explore further tyre-to-tyre recycling with no harm on safety and other crucial functions of tyres.

3) Policy Objective for Production Processes, Reliable Information, and Reduced Environmental Footprint: Disclosing information across the value chain of chemical substances

In general, ETRMA supports the declaration of relevant information to recyclers about Substances of Very High Concern present in products above a defined concentration threshold. However, Initiatives towards assessing the risk that substances may pose in products cannot be based exclusively on hazard or on the presence of substances in the product, but on the risk those substances might pose when present in the final product and during use.

⁸ Source ETRMA <https://www.etrma.org/wp-content/uploads/2019/11/20191119-Europe-92-of-all-End-of-Life-Tyres-collected-and-treated-in-2017.pdf>

The European tyre and rubber industry has a long-standing best practice of sharing information across the value chain. Producers of tyres and rubber goods participate in the IMDS⁹ reporting system for the automotive industry. The system has been running for nearly 20 years and has been undergoing successful implementation in our sector. In addition, the tyre and rubber industry exchanges information across the value chain to boost the recycling of ELT-derived rubber. An example is the project ERASSTRI¹⁰ - European Risk Assessment Study on Synthetic Turf Rubber Infill - that gathered all major value chain actors of ELT-derived rubber granulates used as infill material. These sector base approaches have been successful in sharing information across the value chain and to increase circularity in the value chain and shall be the preferred option in the future SPP.

4) Proportionality, efficiency and inclusion for a truly circular approach

The Sustainable Products Policy shall take into account the specificities of the general rubber goods sector, the backbone of which are SMEs and complex interlinked value chains. In Europe, there are more than 6000 companies producing rubber goods, 98% of them are SMEs, which operate in a highly integrated value chain to respond to the very specific and often niche needs of their customers. The major markets of General Rubber Goods (GRGs) are: transport - including automotive, industrial applications, household appliances, energy / off-shore, leisure and food contact materials. Innovation, high technology customers, high performance requirements and regulatory pressures drive this industry, similarly to the Tyre sector.

The future SPP shall take into account the essentiality, high performance requirements and safety of general rubber goods, which cannot be compromised. GRGs are highly regulated, are asked to meet technical specifications and demanding standards. This shall be taken into account in when setting sustainability related aspects for products or groups of products. **The environmental performance of GRG shall take into account its performance and its function in the complex object.** A holistic approach is needed particularly for rubber goods that are part of complex goods.

The type of rubber used in each good adapts to the final application. Its function is what defines whether a recycling solution can be used. For instance, it is possible to use micronized rubber powder¹¹ to substitute a percentage of butyl rubber and vulcanized rubber in some applications. However, this is not a practice that can be extended to every rubber good for every performance. Therefore, **the establishment of a recycling content for GRG goods is still premature and not possible as a general rule.**

It is also important to note that general rubber goods producers are in its entire majority SMEs. New requirements on information disclosure, environmental performance assessment and related rules need to be proportionate to SMEs and assess *ex ante* the impact on them. The level of detail of the **reporting**, the nature of the information and to what extend those requirements are compulsory or voluntary **shall take into account the SME's perspective and balance the advantages with the disadvantages.**

⁹ The IMDS (International Material Data System) is the automobile industry's material data system. It it all materials used for automobile manufacturing are collected, maintained, analysed and archived. Using the IMDS, it is possible to meet the obligations placed on automobile manufacturers, and thus on their suppliers, by national and international standards, laws and regulation <https://www.mdsystem.com/imdsnt/startpage/index.jsp>

¹⁰ ERASSTRI part 1, 2 and 3, <https://www.sciencedirect.com/science/article/pii/S0048969720306847>

¹¹ MRP is typically made from vulcanized elastomeric material, most often from end-of-life tire material, but can also be produced from post-industrial nitrile rubber, ethylene propylene diene monomer (EPDM), butyl and natural rubber compounds.

In conclusion, the European Tyre and rubber industry has the potential to continue on an evolution path towards ever more sustainable products, services and operations. Rubber applications are key for Europe's transformation towards circular economy, just as tyres will remain essential for mobility. While contributing to the objectives of the Green Deal, our sector is asking for regulatory predictability, holistically assessed policy choices, balance between environmental and safety viable objectives, as well as full and correct enforcement of regulations.

European Tyre and Rubber Manufacturers' Association members (www.etrma.org).

ETRMA represent 93 tyre manufacturing plants spread across EU28, Turkey and other candidate countries employing some 200.000 direct jobs in the tyre sector. ETRMA, represents more than 6.000 companies in EU28, employing 360.000 individuals and supports another 800.000 jobs in related sectors. The product range of its members is extensive from tyres to pharmaceutical, baby care, construction and automotive rubber goods and many more applications. ETRMA members' turnover in 2016 is approximately € 73 billion, of which up to 5% continues to be invested in R&D, annually. ETRMA's membership include the following tyre manufacturers: APOLLO VREDESTEIN, BRIDGESTONE EUROPE, BRISA, COOPER TYRES, CONTINENTAL, GOODYEAR EUROPE, HANKOOK, MARANGONI, MICHELIN, NOKIAN TYRES, PIRELLI, PROMETEON, SUMITOMO RUBBER INDUSTRIES AND TRELLEBORG WHEEL SYSTEMS. Furthermore, members include Associations in the following countries: Belgium, Finland, France, Germany, Hungary, Italy, the Netherlands, Poland, Spain and the UK.

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