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Synthos advances its partnership with Tyre Recycling Solutions (TRS) ***Sharp rise in interest in recovered materials as a result of the war in Ukraine and upcoming Ecodesign Regulation as part of reforms under the EU Green Deal***

Synthos announces that its collaboration with Swiss company Tyre Recycling Solutions (TRS) is progressing according to plan as it obtained a minority stake in the successful scale-up company following the acquisition of Trinseo's synthetic rubber business at the end of 2021.

In addition to the progress Synthos and TRS have made together in the marketplace, resulting in approvals with global tyre manufacturers and initial commercial sales for tyre applications, Synthos and TRS have seen a sharp increase in interest in TyreXol™ recycled rubber. The reasons for this increase are twofold and can be linked to reduced availability of synthetic rubber and carbon black since the Russian invasion of Ukraine on February 24, as well as upcoming regulatory changes that are likely to mandate the use of recycled content in tyre production.

Although Europe produces about 1 million tonnes of carbon black annually (Germany, Hungary, Italy), it remains dependent on imports of the main feedstocks for carbon black production (e.g., heavy oils) as well as carbon black imports. With a total consumption of carbon black in Europe estimated at 1.6 million tonnes per year, Russian and Ukrainian supplies account for about 38% of the market, creating an urgent need among tyre and rubber manufacturers to look for alternative supply.

“At Synthos, we stand in solidarity with Ukraine. Therefore, we view the business opportunities arising from the current crisis with mixed feelings,” said Matteo Marchisio, Business Unit Director, Synthos Synthetic Rubber. *“We are faced not only with significantly higher demand for synthetic rubber from our strategic customers, but also with the fact that the tyre market is increasingly looking to diversify its raw material supply strategy, especially in the area of sustainable alternatives, in order to structurally reduce its dependence on supplies from Russia and Belarus.”*

In addition to the lack of availability of synthetic rubber and carbon black on the market, both partners recognize that the 'game changer' Ecodesign Regulation recently announced by the European Commission will also play a role in accelerating market acceptance of high-quality rubber powder from end-of-life tyres. With many leading tyre manufacturers anticipating the upcoming legislative changes in the EU regarding a potential minimum content of recycled material in tyres, it has become clear that rubber powder is seen as a good alternative, especially when it will be available on a large scale.

"The market dynamics we are experiencing today reinforce our belief that high-quality recycled rubber powder is a viable alternative to virgin material in high-performance rubber applications," said Staffan Ahlgren, CEO of TRS. "We are committed to establishing a total recycling capacity of more than 200.000 tonnes of TyreXol™ rubber powder by 2026 to meet industry demand. Our plan is to ensure a secure supply of recycled rubber powder in geographic areas close to our tyre customers that not only fills the market gap, but also enables the industry to offer products with a smaller environmental footprint."

Synthos' commercial and technical collaboration with TRS is fully in line with the company's commitment to provide its synthetic rubber customers with high-performance material solutions with a lower environmental footprint, as well as its [2030 Sustainability Commitments](#) on Climate Change, Green Raw Materials, Sustainable Product Portfolio, Green Energy and Responsible Partnerships.

About Synthos

Synthos S.A. is a chemical producer and a major player in the global synthetic rubber market. Synthos S.A. Capital Group's business includes the production and sales of chemical products used as raw materials and intermediates in a wide range of industries, particularly in the tyre industry, the construction industry and the packaging industry.

To learn more about Synthos and how it is Moving in the Green Direction, visit:

www.synthosgroup.com

About TRS

[Tyre Recycling Solutions SA](#) (TRS) is a limited company established in 2013 in Switzerland. TRS builds global solutions for the collection, processing and recycling of scrap tires through the development and implementation of innovative technologies and business processes. The TRS technology toolbox utilizes a unique water-jet milling process which can produce high performance powder for use as raw materials in a variety of industrial rubber products and high value applications and compounds. TRS derives its revenue from equipment sales, licenses and sale of high-performance rubber powder under its globally trademarked brand name TyreXol™.

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