



# 2020-2021 ESG REPORT



## CEO LETTER

Liberty Tire Recycling, (“Liberty Tire” or “LTR”) is proud to present its inaugural Environmental, Social, and Governance (ESG) Report for 2020 and 2021 calendar years. Like most organizations, the challenges we faced in 2020 highlighted the importance of leadership as we navigated through the unexpected difficulties posed by a global pandemic. We are proud of the accomplishments of our dedicated team, as well as their continued focus on sustainability, safety, and service.

The safety and the well-being of our stakeholders and the members of the Liberty team is our top priority. We will continue to expand and strengthen our safety efforts to have a positive impact on our people, our customers, and our community.

Deemed an essential business, we moved quickly and thoughtfully to adapt to new challenges posed by COVID-19. We rapidly instituted personal protective equipment (PPE) protocols and developed new health and safety initiatives to ensure the wellbeing of our employees. We quickly updated our technology infrastructure to enable remote work, where possible, in a secure online environment. Proudly, we continued to provide vital services to our nation’s infrastructure while navigating through supply chain constraints, workforce shortages, and a historic economic downturn. Our success is a direct reflection of the people and their commitment, and I take great pride in being on their team.

In early 2021, Liberty Tire Recycling was purchased by ECP, a leading private equity firm focused on energy transition, electrification and decarbonization infrastructure assets. This exciting new partnership aligned with Liberty’s commitment to a more sustainable, greener community focused tomorrow. This partnership enhanced our focus towards waste reduction, recycling, decarbonization, and clean energy across all business units in the years to come.

As we begin 2022, our goal is to clearly define our approach to environmental, social, and corporate governance considerations within our organization and create initiatives to drive progress in this field. We look forward to the path ahead, sharing our commitments and reporting our progress. Thanks to our customers for allowing us to be part of your ESG journey. Thank you to our employees for the extraordinary ways you go above and beyond every day to make us the industry leader that we are. Thanks to our investors for believing in our mission and providing the capital and insight for continued growth. We are excited and eager to continue to serve and improve alongside you in the years to come.

Thank you,

**Thomas Womble, CEO**

# WHO WE ARE

Founded in 2000, Liberty Tire Recycling, LLC (“Liberty Tire”) is the premier provider of tire collection and recycling services in North America.

By collecting **~190 million tires annually**, Liberty Tire reclaims more than **3 billion pounds of rubber for new products**.

The recycled rubber produced by Liberty Tire is used as:

- ▶ Crumb rubber for surfacing applications
- ▶ Industrial feedstock for molded products
- ▶ Construction applications and civil engineering
- ▶ Tire-derived fuel for industrial kilns, paper mills, and power plants
- ▶ Mulch for landscaping and playgrounds

With a strict focus on the core principles of **environmental stewardship**, Liberty Tire continues to **develop innovative solutions for end-of-life-tires (ELTs)**.

This focus enables Liberty Tire to keep these tires out of landfills and illegal dump sites that disrupt ecosystems and harm communities. We work to ensure that ELTs are repurposed to the greatest extent possible, thus reducing greenhouse gas (GHG) emissions and improving the overall environmental footprint of a tire.

## Corporate Profile

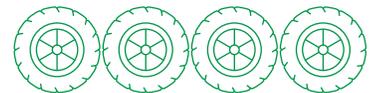
**2000**

Year Founded



**190,000,000**

Tires Collected in 2021



## Pittsburgh, PA

Headquarters



**39,000+**

Customer Collection Locations

**51**

Locations Across North America (including warehousing)

**50**

States / Provinces Liberty Operates In



**2,622**

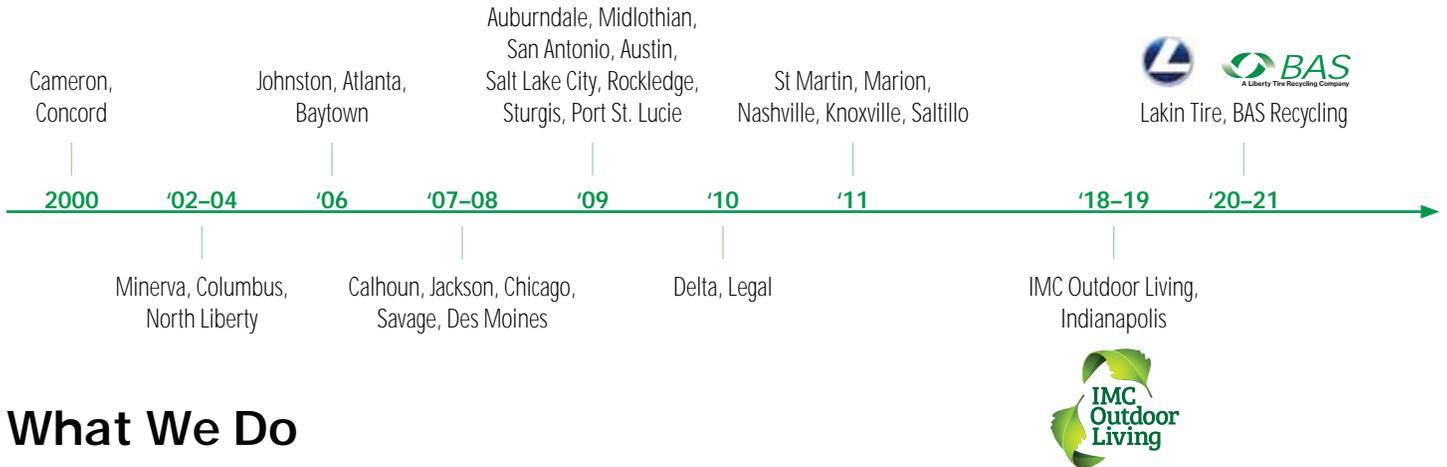
Employees



# COMPANY MILESTONES

## The Growth of Liberty Tire Recycling

Liberty Tire started in North Carolina in 2000 and over the last two decades, has grown into a robust organization with more than 40 collection and processing facilities across North America.



## What We Do

### Tire Collection

With the largest network of tire recycling facilities in North America, Liberty Tire is a full-service tire collection and processing company. Tires of every shape and size are collected from more than 39,000 retail locations nationwide each year. With more than 50 strategic locations throughout North America, Liberty Tire can provide door to door service throughout the United States, British Columbia and Alberta, Canada. **Over the last decade, more than 1.6 billion tires have been collected by Liberty Tire and we partner with new businesses every day to recycle more.**

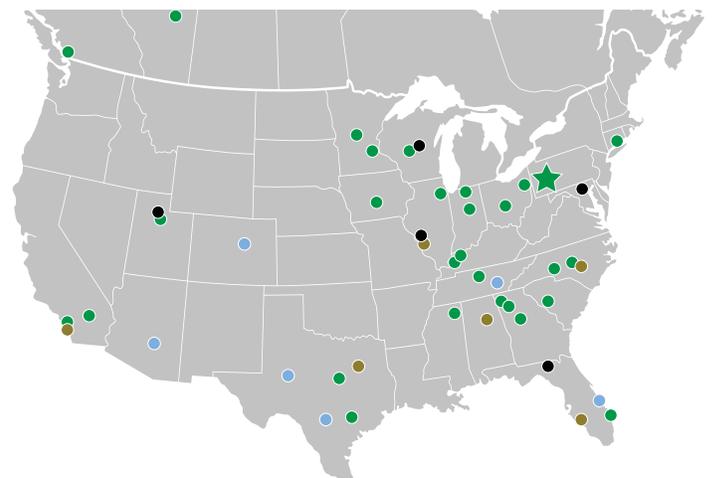
### Tire Remediation Services

Since 1990, states have remediated over 94% of the nation's known illegal or abandoned scrap tire piles. While the stockpiles have been significantly reduced, tire piles are a serious environmental and safety concern. Liberty Tire Recycling continues to work with communities throughout North America to remediate abandoned or illegal scrap tire piles. We have cleaned up more than 150 dump sites littered with over 40 million scrap tires in states such as Georgia, Indiana, Kentucky, New York, North Carolina, Ohio, South Carolina, Virginia, and West Virginia since 2011.

### Tire Processing Services

With 28 advanced processing plants strategically located across North America, Liberty Tire uses state of the art technologies to recycle end of life tires into reusable raw materials, such as crumb rubber, industrial feedstock, and tire derived aggregate (TDA).

### Map of Sites



- ★ Corporate Headquarters (1)
- Collection / Processing Facilities (28)
- Collections Facilities / Transfer Stations (6)
- Mulch Planting & Bagging Facilities (5)
- Regional / Administrative Offices (6)

# OUR APPROACH TO SUSTAINABILITY

To better understand and manage the financially material ESG considerations that are specific to Liberty Tire’s business operations, we developed a dedicated ESG Task Force.

The Task Force is comprised of nine employees from cross-functional areas to ensure that all aspects of the business are considered in tandem with ESG topics. Collectively, this group brings over 250 years of industry experience together to guide and shape the ESG practices at Liberty Tire Recycling. The VP of Sustainability is responsible for reporting ongoing activity and progress to the Executive Team and Liberty Tire’s Board of Directors. The Board also conducts a comprehensive review of our sustainability performance on an annual basis.

Liberty Tire then partnered with Bridge House Advisors to better define an overarching sustainability strategy. As part of this initiative, Liberty Tire was tasked with identifying its most material ESG topics given its current business operations. The relevance of these topics was then tested through a series of interactions with both internal and external stakeholders to further calibrate and prioritize key areas of focus for the business. The resulting materiality assessment allowed us to confirm the ESG themes that align with Liberty Tire’s values, internal stakeholder expectations and the broader ecosystem in which we operate. Results of the Materiality Assessment are provided on Page 6, with the ESG topics in the top right quadrant being the topics of greatest concern to Liberty Tire and our stakeholders.

The foundation of our program is to create a long-term strategy for development and execution of sustainability initiatives amongst our four pillars:

The program will also incorporate and align technology projects to assist in driving the standardization of reporting.

The development of an ESG Roadmap will lead the company-wide strategy for our sustainability efforts designed to focus on purpose-lead, measurable outcomes. This is an opportunity to make a positive social, environmental, and economic impact as we achieve sustainable financial returns for these efforts. Liberty Tire is working diligently to integrate our strong ESG foundation, broader environmental and societal impacts, and annual carbon budget into an overarching sustainability strategy across the entire enterprise.

The integration of ESG data as a non-financial metric will ensure consistent and effective execution of our ESG strategy and provide better visibility of the value creation for our customers.

To continue moving products up the value chain and towards greater circularity, Liberty Tire has committed to continuously reinvesting capital back into the business. This will increase the capacity of material that we can process as well as the amount of product we can sell and markets we can serve. This has also allowed us to complete a number of site-specific energy efficiency projects which include LED lighting conversions, sonic fan upgrades and multiple equipment enhancements during this reporting period.



**Advancing Sustainable Products**



**Accelerating Environmental Stewardship**

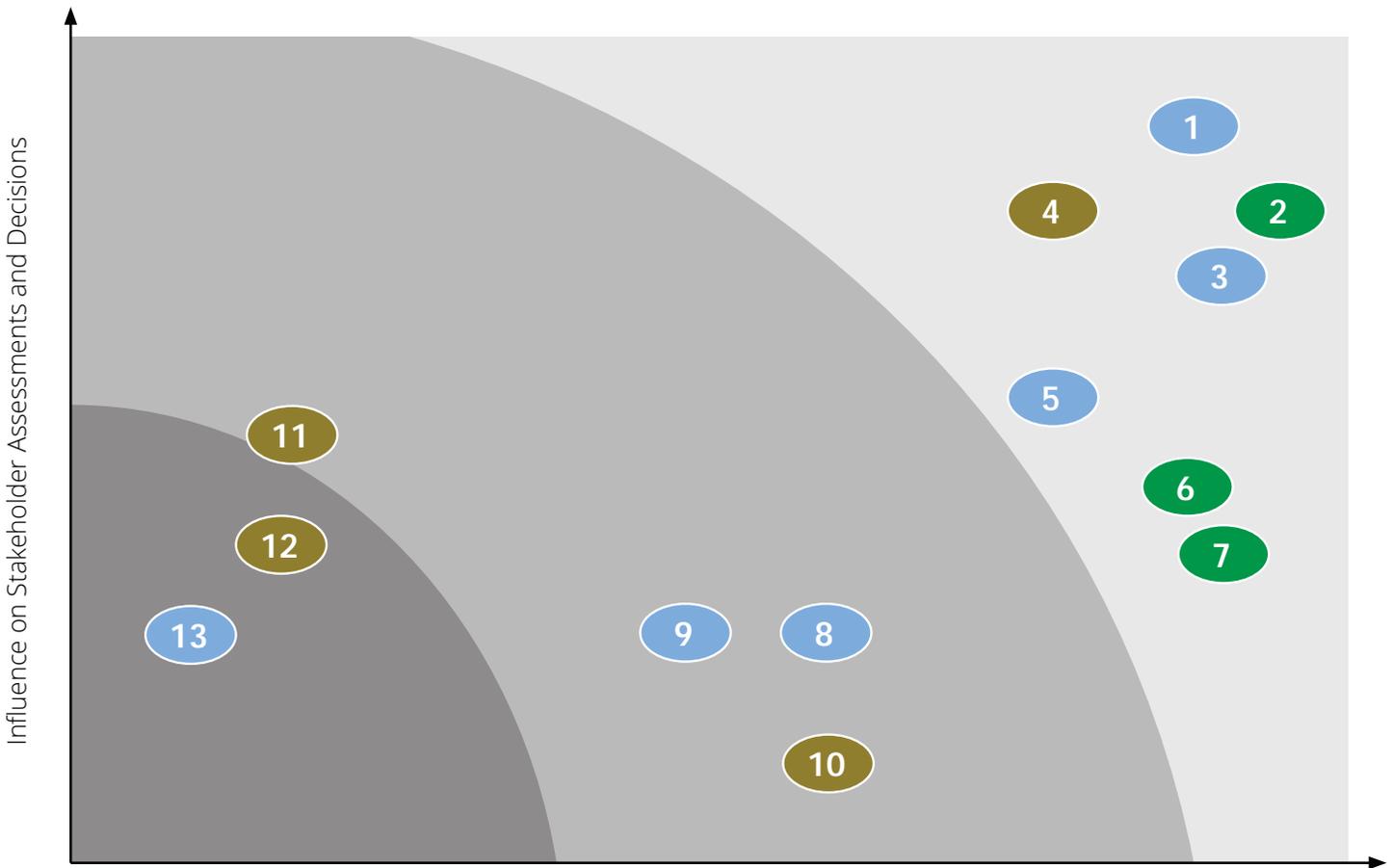


**Engaging People and Communities**



**Operating Responsibly**

# OUR SUSTAINABILITY MATERIALITY MATRIX



Liberty's Significant Economic, Environmental and Social Impacts

● Environment     
 ● Social     
 ● Governance

- |                                   |                                       |
|-----------------------------------|---------------------------------------|
| 1. Employee Health & Safety       | 8. Community Engagement               |
| 2. Sustainable Operations         | 9. Recruiting, Training & Development |
| 3. Product Quality & Safety       | 10. Risk Management                   |
| 4. Product Innovation             | 11. Supply Chain Management           |
| 5. Employee Diversity & Inclusion | 12. Corporate Governance              |
| 6. Climate Change                 | 13. Data Privacy & Security           |
| 7. Product Stewardship            |                                       |

## OUR APPROACH TO SUSTAINABILITY (CONT.)

During the reporting period, Liberty Tire Recycling expanded capabilities to recycle giant mining tires which demand a specialized process due to their weight and size.

Canada's mining industry is one of the largest in the world and there is growing interest in recycling these tires. Historically, these massive, worn-out mining tires have been stockpiled, buried, or abandoned at the mine site. The tires, often 13 feet in diameter and weighing nearly 10,000 pounds each, can now be processed at Liberty Tire's Alberta, Canada facility. The rubber is then repurposed into secondary market applications. Each tire also contains nearly a ton of steel which is extracted and returned into the metals industry for recycling. More than 2,000 of these tires are processed each year and Liberty Tire continues to further develop this market with our partners in the mining industry.<sup>1</sup>

In 2021, Liberty Tire also invested in doubling press capacity for compression molded products in our lawn and garden division with a new state-of-the-art press line. This investment will not only enable LTR to better service its customers, but also manage quality control and productivity practices. The new line features a robotic palletizing system to reduce the potential for workplace injuries and create a more efficient workflow in our operations.



1. [https://www.statista.com/topics/3067/canada-s-mining-industry/#topicHeader\\_\\_wrapper](https://www.statista.com/topics/3067/canada-s-mining-industry/#topicHeader__wrapper)

# OUR SUSTAINABILITY FRAMEWORK

Liberty Tire is committed to supporting a more circular economy for long-term global health by finding new and better ways to recycle tires and manufacture our products.

Liberty Tire's partnership with Bridge House Advisors included developing a sustainability framework, which identified four pillars of sustainability for Liberty Tire to focus on while we pursue our overall theme of "Driving A Greener Tomorrow." These four pillars are:

 <p>Advancing Sustainable Products</p>	 <p>Accelerating Environmental Stewardship</p>	 <p>Engaging People &amp; Communities</p>	 <p>Operating Responsibly</p>
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# TOGETHER





# ADVANCING SUSTAINABLE PRODUCTS

Liberty Tire is dedicated to reducing its impact on the environment, and one of the ways to demonstrate that commitment to sustainability is through investment in innovative ways to better reclaim, recycle, and repurpose end-of-life tires.

This includes not just the tire rubber, but all the components of a tire including the steel, wire, and fiber. Liberty Tire’s goal is to minimize waste and find a beneficial reuse of 100% of the tire and its components. LTR’s efforts keep billions of pounds of material out of landfills and contribute to the well-being of its communities and the long-term health of the planet.

## Beneficial Reuse

Liberty Tire’s network of 28 processing plants converts these end-of-life tires into raw materials that can be used for various high value products, including athletic surfaces, playground surfaces, pavers, garden mulch, alternative fuel, construction materials, consumer products, and additives to asphalt for paving.

These efforts of recycling and repurposing tires demonstrate LTR’s goals towards contributing to a more circular economy as the business continues to scale.





## ADVANCING SUSTAINABLE PRODUCTS

### Product Quality and Safety

The quality and safety of our products is of the utmost concern to everyone at Liberty Tire Recycling.

By providing high quality products, Liberty Tire can contribute to the resiliency of the growing markets it services. Often, wire contamination in rubber is a primary concern for an end-user. Liberty Tire takes great pride in its manufacturing process and utilizes a series of industrial magnets and vibratory tables in multiple stages of the granulation process to ensure that all loose wire and fiber is removed from finished products.

In addition to this, Liberty Tire certifies that its products are compliant with applicable industry standards bodies such as ASTM International (formerly known as American Society for Testing and Materials), and International Playground Equipment Manufacturers Association (IPEMA) certifications in addition to federal, state, and local regulations.



ASTM International is a globally recognized leader in the development and delivery of voluntary consensus standards. These standards are a means to ensure successful global trading strategies and were developed with the guiding principles of the World Trade Organization in mind.<sup>2</sup>

For more information on ASTM, please visit <https://www.astm.org/>



IPEMA provides a product certification program which validates a participant’s product(s) for conformance to certain ASTM standards. In the interest of public safety, IPEMA provides a product certification program for public play equipment and surfacing materials, such as rubber mulch made from our recycled tires.<sup>3</sup>

For more information on IPEMA, please visit <https://ipema.org/>

### Product Stewardship

In addition to product innovation, Liberty Tire is focused on product stewardship to ensure that we are continuously focusing on moving materials up the value chain.

This effort continues to keep tires out of landfills and ensures they are beneficially repurposed whenever possible.

2. <https://www.astm.org/about/overview/detailed-overview.html>  
3. <https://ipema.org/about-ipema/>





## ADVANCING SUSTAINABLE PRODUCTS

# Innovations towards a circular economy

## Partnership with Atlantis Fiber

Innovation is the key to new market development - not just for crumb rubber, but for all the elements of a scrap tire including the fiber and steel. In partnership with Liberty Tire, Atlantis Fiber has developed several state of the art applications that incorporate recycled polymer fiber which is conventionally extracted from the tire recycling process. The material has been transformed into high performance and sustainable products for a wide range of concrete reinforcement applications such as shrinkage crack control, repair work, seismic retrofit and precast concrete structures.

*“ We look forward to growing our relationship with Liberty over the coming years as they have consistently demonstrated an eye towards innovation and sustainability that we feel is unmatched within the industry. ”*

**PAT McCONNELL**

President and CEO at Atlantis Holdings, Ltd.



By combining our energy efficient tire fiber refining process with our blend of additional industrial byproducts, Atlantis is able to achieve a net-zero product offering covering a broad spectrum of concrete applications.

## Partnership with Bolder Industries

In November 2021, Liberty Tire partnered with Bolder Industries to convert end-of-life tires into sustainable carbon black, petrochemicals, steel, and power.

The end-of-life tires that Bolder Industries anticipates it will process annually from Liberty Tire will have significant positive environmental impact—saving CO<sub>2</sub> emissions, water, and electricity every year.



# Bolder Industries

*“ Liberty is in constant pursuit of the highest and best use of end-of-life tires. We have been investigating the chemical extraction business for many years and Bolder has proven to be a partner we can rely on to work with us and our customers on a large scale. Bolder and Liberty are aligned in their goals to increase sustainability for waste tires and our new partnership will accelerate the growth and global expansion for both companies in this critically important space. ”*

**THOMAS WOMBLE**

CEO of Liberty Tire Recycling



# ACCELERATING ENVIRONMENTAL STEWARDSHIP



## Climate Change

To better understand our total impact on the environment, Liberty Tire measured our carbon footprint and handprint in 2021.

**Liberty Tire Recycling's Footprint** is the total amount of Greenhouse Gas Emissions (GHG) generated from its operations. This includes fuel consumption, electricity consumption, and waste generation beginning from the moment a truck leaves a facility to pick up a used tire to the moment Liberty Tire delivers products to its customers. The chart below shows Liberty Tire's 2021 carbon footprint including Scope 1, 2, and 3 emissions.

Component	Scope	2021 GHG Emissions CO <sub>2</sub> -e (Metric Tons)
Stationary Combustion (Natural Gas Usage)	Scope 1	2,418
Mobile Sources (Truck Fleet)	Scope 1	40,123
Purchased Electricity (Facilities)	Scope 2	46,386
Waste Generated	Scope 3	37,575
Downstream Product Transportation	Scope 3	11,191
Employee Business Travel <i>(incomplete data set)</i>	Scope 3	287



## ACCELERATING ENVIRONMENTAL STEWARDSHIP

**Our Handprint** is the total amount of GHG emissions reduced or avoided through the use of our products by our customers (we analyzed 88% of the total volume sold). The use or application of Liberty Tire's products avoided almost 1,000,000 metric tons of CO<sub>2</sub>-e in 2020 and more than 945,000 metric tons of CO<sub>2</sub>-e in 2021.

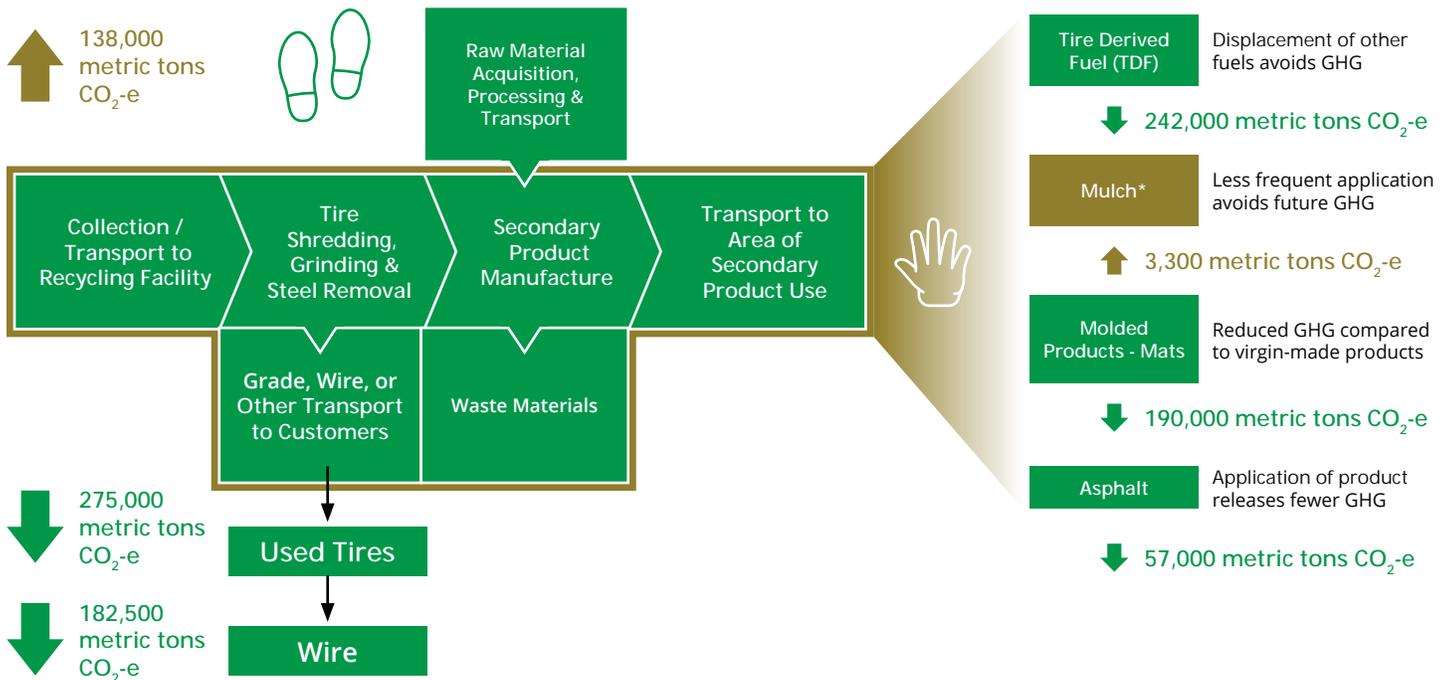
Liberty Tire measured its handprint in the following areas:

<p><b>Tires in Usable Condition</b></p> <p>Often times when a consumer replaces one bad tire, they choose to replace all the tires on the vehicle for consistency, regardless of the condition of the remaining tires. Rather than recycling and processing these tires, we sell them to customers in the used tire market. On average, our used tires have roughly 25,000 miles or more of remaining tread life. In 2021, putting these tires back on the road, Liberty Tire displaced approximately 275,000 metric tons of CO<sub>2</sub>-e that would have otherwise been generated in the manufacturing of new tires.</p>	<p><b>Tire Derived Fuel (TDF)</b></p> <p>Due to its high heat output, TDF has the ability to replace other fuels in co-fired boilers and kilns. This, in turn, enables these boilers and kilns to use less overall fuel, thereby avoiding the generation of additional GHG emissions. In addition, the US Tire Manufacturers Association has determined that there is a 24% natural rubber average for the total scrap tire stream. This 24% of the fuel is derived from a renewable energy resource.<sup>4</sup> Through the use of TDF at Liberty Tire's top ten customers, Liberty Tire avoided approximately 242,000 metric tons of CO<sub>2</sub>-e in 2021.</p>
<p><b>Rubber Mulch</b></p> <p>Liberty's rubber mulch products are used in playground and landscaping applications as an alternative to primarily wood mulch solutions. While GHG emissions associated with producing an equal volume of rubber mulch exceeds that of wood mulch by a factor of 1.7x, the rubber mulch product lasts approximately 12 years after its initial application. In contrast, wood mulch typically needs to be replaced every year. Assuming the same amount of rubber mulch sold in 2021 is sold and distributed annually for the next 10 years, Liberty Tire will displace approximately 100,000 metric tons of CO<sub>2</sub>-e.</p>	<p><b>Molded Rubber Mats</b></p> <p>Liberty Tire's largest molded product by annual volume is Rubber Mats. For this product line, Liberty Tire prepares tire crumb to be used as feedstock, which is shipped to manufacturers who make the end product. Using the tire crumb as opposed to other materials (i.e., synthetic rubber or polypropylene) allowed Liberty Tire to displace approximately 190,000 metric tons of CO<sub>2</sub>-e in 2021.</p>
<p><b>Rubberized Asphalt</b></p> <p>The application of LTR's Rubberized Asphalt product releases fewer GHG emissions when compared to traditional asphalt paving materials by approximately 57,000 metric tons of CO<sub>2</sub>-e in 2021.</p>	<p><b>Wire</b></p> <p>Steel wire is removed from the scrap tires after shredding. This recovered wire is remelted in steel furnaces to make sheet and long steel products. As a result, LTR displaced approximately 182,500 in 2021 that would have been otherwise emitted from the production of steel from coal, petroleum coke, and other raw materials.</p>

4. [https://www.ustires.org/sites/default/files/USTMA\\_Sustainability\\_2018\\_1.16\\_PAGES.pdf](https://www.ustires.org/sites/default/files/USTMA_Sustainability_2018_1.16_PAGES.pdf)



### ACCELERATING ENVIRONMENTAL STEWARDSHIP



\* Mulch - After year one, GHG emissions will be avoided due to the extended useful life of the product

As Liberty Tire Recycling continues to develop a strategy for its own carbon emissions reduction, they are actively working with their customers to help them meet their Scope 3 goals through increased reporting transparency.

Liberty Tire Recycling dedicates efforts to ensuring the most beneficial use of all tire materials in our recycling process. There are three primary outputs that result from processing an end of life tire – fiber, steel wire and rubber. The graphic below displays the various outputs of a recycled tire. According to the 2019 USTMA Scrap Tire Management Summary Report, the average weight of a light duty tire, otherwise known as a passenger tire equivalent (PTE), is 22.5 lbs.<sup>5</sup>

### Output from Recycled Tires



5. <https://www.ustires.org/sites/default/files/2019%20USTMA%20Scrap%20Tire%20Management%20Summary%20Report.pdf>



## ACCELERATING ENVIRONMENTAL STEWARDSHIP

### Diverting Tires from Landfills

LTR helps preserve landfill space by diverting end of use tires from landfills and offsets GHG emissions through the use or application of the products that we make.

Currently, the landfilling of whole tires is banned in 39 states, making Liberty Tire’s services critical to efficient waste management, diversion, and repurposing of used tires. Every tire that Liberty Tire recycles preserves an equivalent amount of landfill space.

**Liberty Tire recycled over 325,000,000 tires in 2019–2020 which, in some states, helped conserve up to 1% of total landfill capacity.**



### Tire-Derived Fuel (TDF)

Contrary to public perception, TDF provides a cleaner, more economical fuel alternative to coal and petroleum coke in cement kilns, pulp and paper mills, and electric utility boilers.

The US EPA has reported that TDF produces emissions that are comparable to other conventional fuels but releases more energy due to its high heat content.<sup>6</sup> As an alternative fuel, blending TDF with coal can typically reduce the emissions of oxides from sulfur and nitrogen. Our customers who use our TDF products for fuel have secured the required regulatory permits to consume blends of fuel containing TDF. As our global need for energy grows, our draw on non-renewable energy is growing as well. Incorporating TDF aids in diminishing a portion of that demand. TDF generates more heat than a comparable weight of coal but has a lower greenhouse gas impact since tires are partly made from a natural rubber derived from trees.<sup>7</sup>

The US Tire Manufacturers Association (USTMA), based upon a member survey, has determined that the average natural rubber content in the end-of-life tire stream is 24%.<sup>8</sup> Based upon this data, the North Carolina Utilities Commission, in a declaratory ruling issued 12/17/2009, found that tire-derived fuel would be recognized as a renewable energy resource for purposes of renewable energy certificates for that percentage that can be demonstrated to be derived from natural rubber (DOCKET No. SP-165, SUB 3).

6. <https://archive.epa.gov/epawaste/conservation/materials/tires/web/html/tdf.html#:~:text=Based%20on%20over%2015%20years,higher%20BTU%20value%20than%20coal>  
7. <https://www.globenewswire.com/news-release/2020/04/24/2021675/0/en/Insights-on-the-Synthetic-Rubber-Industry-in-the-United-States-to-2025-Motivators-Constraints-Opportunities.html>  
8. <https://thetiredigest.michelin.com/an-unknown-object-the-tire-materials>



## ACCELERATING ENVIRONMENTAL STEWARDSHIP

# Canada's Waste Reduction Week



*Bianca Bujan (Tire Stewardship BC (TSBC)), Norm Schmidt (Board Member - TSBC), Adrian Courtenay (Board Member - TSBC), Amy Brackin (Liberty Tire), Neil Bansal (Liberty Tire), Mayor George V. Harvie, Rosemary Sutton (TSBC), Glen Ringdal (Board Chair - TSBC)*

During the kick-off of Canada's 20th annual Waste Reduction Week in October 2021, Western Rubber Products, a division of Liberty Tire Recycling located in Delta, British Columbia, celebrated recycling our 100 millionth tire in the province.

This milestone was recognized with industry stakeholders, local government representatives, partner businesses and employees.

Product stewards including Kal Tire, North West Rubber, Marathon Surfaces and Astroturf West were joined by Delta Mayor, George V. Harvie, and Tire Stewardship BC at the event. The event also included video remarks from Ravi Kahlon, Delta North Member of the Legislative Assembly (MLA) and Minister of Jobs, Economic Recovery, and Innovation, George Heyman, Minister of Environment and Climate Change Strategy, and Ian Paton, Delta South MLA.

"We are proud to have a legacy company like Western Rubber Products operating in Delta," said Delta Mayor George V. Harvie. "Western Rubber Product's successful waste reduction model and sustainable practices help us work towards a zero-waste economy." Both Western Rubber Products and Liberty Tire are used at the Delta facility in British Columbia.



*Delta Mayor, George V. Harvie and Tire Stewardship BC Board Chair, Glen Ringdal.*



## ACCELERATING ENVIRONMENTAL STEWARDSHIP

### Fleet Route Optimization

Reducing Scope 1 emissions is an important part of our carbon reduction strategy.

Due to the large volumes of tires picked up each year, Liberty Tire is continually seeking the most efficient method for tire collection. Liberty Tire operates a fleet of more than 400 trucks nationwide so an important part of driving environmental stewardship is through route optimization—the process of determining the most efficient tire collection route possible while still meeting the customer’s needs. Liberty’s goal is to maximize the ratio of tires picked up per mile driven. Liberty collects tires from over 39,000 unique locations. This results in a complex task to achieve optimization.

Liberty has chosen to implement a comprehensive route optimization program named Omnitracs. Omnitracs is a sophisticated software program that when coupled with seasoned transportation staffing and expertise will enable Liberty to achieve route optimization. When Liberty Tire purchased Lakin tire in 2020 it acquired personnel that had worked successfully with Omnitracs for over 10 years. With the help of the Lakin transportation team’s legacy knowledge and Liberty’s existing transportation expertise we are rolling out the Omnitracs software throughout all our locations.



Omnitracs leverages data including storage capacity to develop and deploy site-specific algorithms to achieve route optimization. In 2021, two Texas facilities

have implemented and integrated Omnitracs into their transportation operations.

The facility in Baytown, Texas benefitted from a measurable increase in the number of tires picked up per mile driven. The volume went from from 91.84 tires per stop in 2019 to 117.42 tires per stop in 2021. During 2021, Baytown reduced the total number of stops by 5,484 trips, yet picked up 738,923 more tires to repurpose.

The facility in Midlothian, Texas also reported great efficiencies from the implementation of Omnitracs. In 2021, Midlothian cut 2,825 stops and increased the average numbers of tires hauled per trip from 165.85 in 2019 to 190.43 in 2021. These efficiencies allowed the Midlothian site to haul an additional 261,649 tires in 2021.

In total, the combined efforts from these two sites resulted in 8,309 fewer truck stops while processing an additional 1,000,572 tires. In total this reduced overall vehicle miles traveled by 21,142 miles. The resulting benefits also include fuel savings, enhanced safety by reducing driver’s “windshield time,” and improving customer service.

**By year end 2022, it is Liberty Tire’s goal to have 70% of our collections optimized utilizing the Omnitracs Optimization program.**

21,142 miles

Total Mileage Reduction



1,000,572 tires

Volume Increase



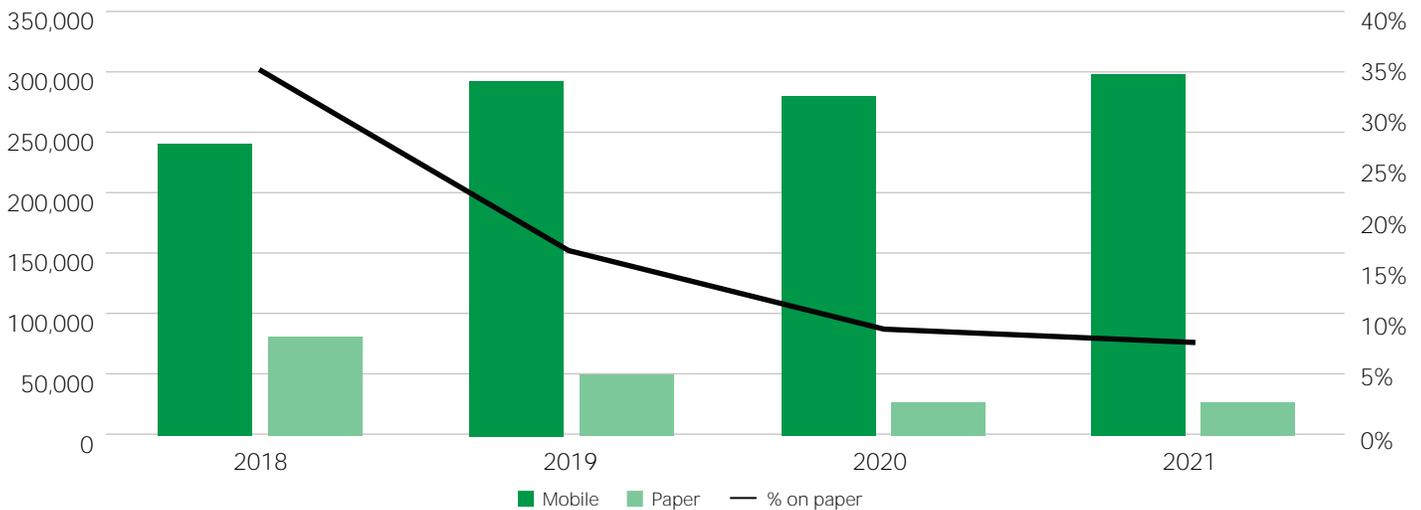
## ACCELERATING ENVIRONMENTAL STEWARDSHIP

### Paper Usage

Reducing paper usage is an integral part of Liberty Tire’s commitment to sustainability efforts. As part of that commitment, Liberty Tire converted our inbound collection services to handheld electronic devices in 2018. Conservatively assuming 1 piece of paper is used per workorder, this reduced paper utilization by more than

1.1M pages or 6+ tons of paper since we started tracking utilization 4 years ago. Because work orders are stored digitally, we are unable to track the total number of pages per workorder, but savings could be as high as 2.5M pages or 12 tons of paper. There are over 300 tablets in use today throughout the Liberty network.

#### Mobile vs. Paper



### Walmart Project Gigaton

In 2021, Liberty Tire joined Walmart’s Project Gigaton in an effort to avoid one billion metric tons (a gigaton) of greenhouse gases (GHGs) from the global value chain by 2030. Walmart tracks each downstream suppliers reported data each year in the form of SMART Goals—goals that are:



- S**pecific
- M**easurable
- A**chievable
- R**elevant
- T**ime-limited

As the program is designed, each year until 2030, Liberty Tire will report our progress as we continue to support Walmart’s effort to avoid a gigaton of GHGs from the global value chain.

9. <https://www.papersizes.org/weight-of-sheets.htm>  
Assume A4, 90 gsm paper = 5.63 grams



# ENGAGING PEOPLE AND COMMUNITIES

Liberty Tire cannot exist without its employees and the communities we service; they are at the heart of Liberty Tire’s operations.

## Recruiting

Liberty Tire makes every effort to promote employees from within before posting a new opportunity to external job boards. This increases employee morale, provides opportunities for technical advancement, and furthers personal career development and growth throughout the organization.

Liberty Tire also strongly believes in the value of giving people a second chance. In addition to hiring from within, Liberty Tire participates in second chance recruiting, which provides job opportunities to people recently released from prison. Through this initiative we provide a compassionate response to those needing an opportunity for stable employment. In return, we believe Liberty Tire benefits by finding motivated and committed employees, as well as fostering a workplace culture of caring and compassionate employees. In 2021 Liberty Tire hired 171 second chance employees.



**David Thompson**, Third Shift Supervisor at the Live Oak site in Florida, participated in a job fair hosted by the Florida Department of Corrections, which is where David was first introduced to Liberty Tire. David met with a recruiter at the event, submitted an application, and received an interview with local General Manager Greg Aynes. David's previous experience as a supervisor for a manufacturer made him a natural fit as a Shift Supervisor at Liberty Tire. David states that his favorite things about Liberty Tire are the management style and personnel:

“ Often times, being on the 3rd shift, you need to make decisions on your feet because you’re the only supervisor on [the] premises. No matter what the circumstance is or whether the right or wrong decision has been made, the approach is always to sit down and debrief the situation and talk about it collaboratively. I have been supported 100% and that means more than any other thing here at Liberty. It’s always an open discussion and a learning opportunity. ”

When asked about his experience as a second chance recruiting, David recounted that:

“ It’s been great. Liberty Tire’s second chance program is fantastic. They took a chance on me and put themselves out there and I really appreciate that. The pay is good and full-time employees also have benefits. There are even good incentives for me, and I can pass those on to my workers as well. I enjoy promoting Liberty Tire and the products we make. I have three children ages 10, 7, and 3 so they are all in different schools. So far, I’ve donated a bag of mulch at each of their schools and delivered it wearing my Liberty Tire uniform, so they knew where it came from. I told them about what we do and gave them a chance to check out the product so hopefully they buy more. ”



## ENGAGING PEOPLE AND COMMUNITIES

# Veteran Recruiting

Liberty Tire Recycling is a strong supporter of hiring veterans of the armed services.

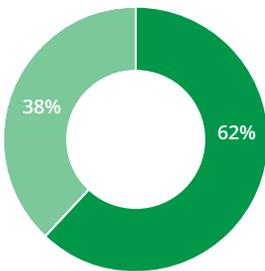
In an effort to increase opportunities for veterans, a partnership with Performance Service Group, LLC, ("PSG Jobs"), a veteran recruiting group, has been established to recruit exiting members of the armed forces for current positions. The specialized training given to members of the armed forces during active duty make many exiting servicemen and servicewomen exceptional candidates in key areas (e.g., logistics, maintenance, safety, and supervisory roles) within Liberty Tire's operations.

# Diversity, Equity, and Inclusion

A large part of our community effort is ensuring that Liberty Tire is an inclusive and diverse employer. During 2020, we were proud to report that 62% of Liberty Tire's workforce was classified as diverse based on the ethnicity, race, and gender data reported by employees.

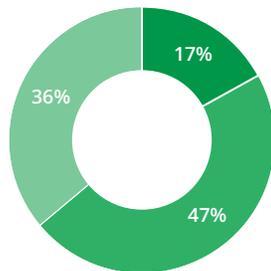
In 2021, the diversity of the workforce and management team continued to improve. Liberty Tire reports to the U.S. Equal Employee Opportunity Commission (EEOC) annually to disclose employee-reported diversity data. In 2021, diversity metrics were as follows:

### Race/Ethnicity



■ White ■ Ethnic Minority

### Age



■ Under 30 ■ 30-50 ■ Over 50

### Female Representation

	Female Employees	Total Employees	% of Total
Corp./Regional Mgmt.	39	180	22%
Plant Mgmt.	38	249	15%
Workforce	163	2004	8%
<b>Total</b>	<b>240</b>	<b>2433</b>	<b>10%</b>

**10%**  
Total Workforce

**18%**  
All Mgmt. Positions

**22%**  
Corp. Mgmt. Positions

**15%**  
Plant Mgmt. Positions

**0%**  
Women on Board of Directors

	Mgmt.	Plant Mgmt.	Workforce	Total
<b>Ethnic Minority</b>	40	138	1338	<b>1516</b>
<b>White</b>	140	111	666	<b>917</b>

Liberty Tire Recycling does not currently collect diversity or gender data for our Canadian operations. This accounts for 189 employees that are not included in the data counts provided.

At present, less than 1% of our executive leadership is diverse and this is an area of opportunity for Liberty to explore in upcoming years.



## ENGAGING PEOPLE AND COMMUNITIES

# Employee Health and Safety

Liberty Tire's top priority is the safety of its people, which is reinforced by its core values:



### Teamwork



### Building a culture founded on honesty



### Respectful communication

Liberty Tire has active and open engagement with its employees, focusing on zero injuries, zero fires, and a strong case management approach.

Mike Herbert, Liberty Tire's Director of Safety, described Liberty's collaborative approach to safety between corporate and the field: "It's what's different about Liberty. We support our sites, and we know our people at the sites are vital to our business." This collaborative approach goes beyond Liberty Tire employees and is seen in our relationships with local authorities.

Mike described a recent event with two local fire departments, which included safety demonstrations for employees, followed by a facility walk-through, to share best practices and propose ideas for areas of improvement.

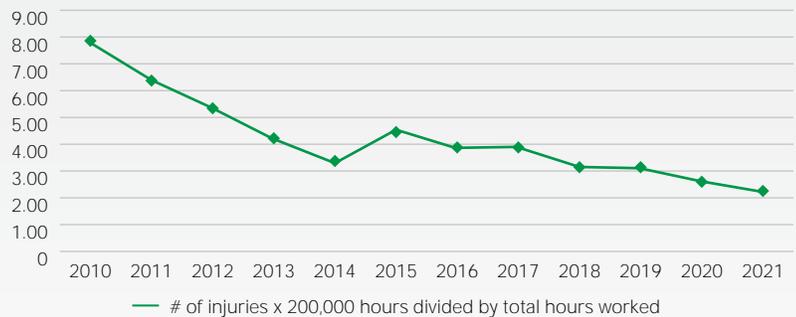
*"We work hard to be proactive. We want to be transparent and do the right things for the right reasons."*

In addition to our overarching safety practices and training at Liberty Tire, there are numerous employee engagement activities surrounding employee safety. A daily safety text is sent from our CEO, and a 5-Minute Safety Talk huddle is completed with employees at the start of the workday. In addition, employees are actively engaged in our Safety Observation and Near Miss programs to help identify areas of opportunity.

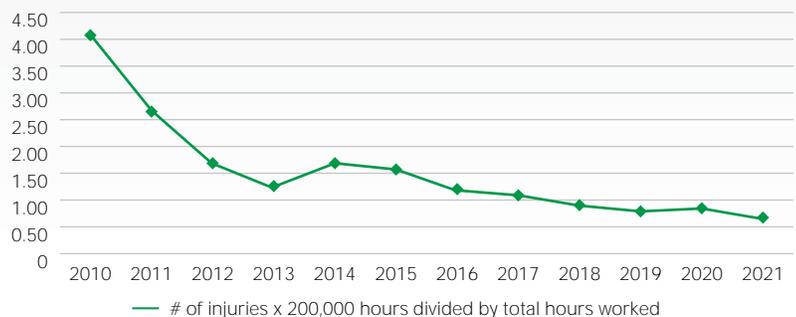
### Liberty Tire is proud of its safety records and works daily to be proactive about identifying and reducing risks for its employees.

Each week, the team report any OSHA recordables to the senior management team. Details of the event, corrective action, and best practices going forward are discussed. Since 2010, Liberty Tire has had a 67% decrease in annual OSHA recordables and 82% decrease in Lost Time injuries. In 2020, 17 locations had zero OSHA Recordables or Lost Time Injuries.

## Total Recordable Incident Rate (TRIR)



## Lost Time Injuries (LTI)





## ENGAGING PEOPLE AND COMMUNITIES

### Driver Safety

Liberty Tire Recycling implemented the SmartDrive video-based safety program beginning in 2018 to prevent collisions, lower risk, and protect drivers and the fleet.

Today, Liberty Tire has 291 active SmartDrive units installed in trucks which offers prescriptive insights and predictive analytics going forward to reduce idle time, improve driver performance, identify our highest risks, and lower operational costs.

### Community Outreach

Employees at each Liberty Tire location work to enhance the communities in which they live and work. Participating in community outreach efforts provides Liberty Tire employees the opportunity to volunteer and give back. Each year, Liberty Tire participates in an Adopt-a-Family program during the holiday season to help support a family in need within their community.

During the 2021 holiday season, each Liberty Tire site was given a \$200 gift certificate from corporate to provide a meal for the selected family. Additionally, each site was able to fundraise and accept donations from employees to provide gifts for each family such as clothes, gift cards, toys, etc. Through our employees' efforts, the Liberty Tire family raised more than \$50,000 in donations to support families in need during the 2021 holiday season.

Being involved in those communities in which employees work and live is an important part of the Liberty Tire culture. Many of the Liberty Tire locations sponsor youth programs within their communities. From soccer to little league, Liberty continues to support its local communities with sponsorships for uniforms, leagues, and team play.



// With the Liberty Tire sponsorship, we were able to have a zero-turn mower leased to maintain the park ourselves. We put a catch net on the transition field. Fuel for the mower, chalk for lining fields and inventory for the concession stand was easier to take care of. We kept a steady supply of new balls all season. We had the main field, of the 3 fields available, professionally leveled with imported dirt. The original mower was fixed and serviced, and used to drag all 3 fields, every game, with no breakdowns. The restrooms were fixed up, and we plan to install 2 new toilets later this year. The concession building had 2 dawn to dusk lights added to help with security. And, for the first time in 39 years, we had a full league program, with schedules and all sponsors & supporters listed.

Thank you, Liberty Tire Recycling, for helping the league, the 100 kids, and their parents or members of the community, for playing and attending games all season. I look forward to hopefully having you on board for the 2022 season.

**TROY DILLON**

President of the North Liberty Youth League



# OPERATING RESPONSIBLY

## Business Ethics

Liberty Tire emphasizes ethical business conduct over business performance.



Recycling of tires is a highly regulated industry, and Liberty Tire takes this commitment very seriously. Liberty Tire works with 88 regulatory authorities and operates under 234 different permits to ensure business practices meet all applicable regulations.

To ensure we are conducting business according to our core values, Liberty Tire has implemented its company-wide Code of Conduct. This establishes a sound foundation for communicating its philosophy and commitment to all employees, customers, other stakeholders, and communities. Applicable employees are required to take both Code of Conduct and antitrust training on an annual basis to reinforce the importance of these expectations. The Code of Conduct was developed to promote:

- ▶ Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships
- ▶ Full, fair, accurate, timely, and understandable disclosure in reports and documents we file with regulatory agencies and in our other public communications
- ▶ Compliance with applicable laws, rules, and regulations
- ▶ The prompt internal reporting of violations
- ▶ Accountability for adherence

In the event of any violations of ethical standards, Liberty Tire guides employees to raise attention through a variety of reporting options including a compliance hotline or speaking directly to a supervisor or manager. Liberty Tire is committed to ensuring employees will not face retaliation for any reporting of violations. Any violations of the Code of Conduct will be subject to disciplinary action depending on the nature of the violation and the history of the employee.

Liberty Tire maintains an employee handbook to reinforce the Code of Conduct and further explain internal policies. The Employee Handbook provides general information and guidelines on protocols including:

- ▶ Equal Opportunity Employer Policy
- ▶ Employment Practices and Procedures
- ▶ Employee Conduct
- ▶ Use of Facilities
- ▶ Leave Policy
- ▶ Benefits
- ▶ Pay Practices
- ▶ Safety and Security
- ▶ Termination of Employment

As an Equal Opportunity Employer, Liberty Tire maintains a completion report on Preventing Discrimination and Harassment (PDH) training for general managers, office managers, transportation managers, regional operations managers, and regional vice presidents. Liberty Tire does not employ any minors or persons under eighteen years of age. The company also requires specific employees to complete Code of Conduct and Antitrust training on an annual basis.



## OPERATING RESPONSIBLY

### Cyber Security

Liberty Tire understands that it is critical to ensure that data privacy and data security are not vulnerable to breaches or threats.

For increased protection, Liberty Tire has a cyber security program in place that includes an Incident Response Policy and Procedures. This ensures the appropriate steps are taken to mitigate the threat and ensure business continuity in the event of a breach or data compromise.

Additionally, we conduct internal and external vulnerability scans to the company's IT infrastructure from external threats, and ensure that our data security and data privacy policies are not vulnerable to known threats, such as phishing. Phishing exercises are also conducted quarterly for employees in addition to data security webinars. Any employee that fails a phishing exercise must undergo additional training educating them on ways to identify and respond to phishing attempts to act as a second level of defense. Metrics for vulnerability scans and phishing are maintained quarterly and shared with management as appropriate.

### Groundbreaking Green Loan

ECP's acquisition of Liberty Tire in May 2021 involved a green Term Loan B (TLB), which has been cited as being among the first U.S. green term loans outside of the renewable energy sector and the first green TLB in the U.S. leveraged loan market backing a buyout. Liberty Tire's core business is sourcing, sorting, processing, and distributing end-of-life tires into multiple beneficial end use markets, each diverting tires from landfills. Green loans are given exclusively to fund projects in which substantial environmental contributions shall be made; the full amount of the loan must be used for such sustainability-focused activities, allowing borrowers to convey the companies' green operations and supply chain.

For a loan to be considered a green loan, it must be structured in accordance with the core components of the Green Loan Principles.<sup>10</sup> These principles were built upon and refer to the Green Bond Principles of the International Capital Market Association and provide guidance on how to implement the use of proceeds from green loans.

In order to validate the environmental contributions financed by green loans, the World Bank's International Finance Corporation adopted guidelines to assess relevant use of proceeds through second opinion assessments performed by independent parties, including Environmental Resource Management (ERM). ERM provided a second party opinion on the alignment of the assertions made by ECP with the core components of the Green Loan Principles, issued by the Loan Market Association, Asia Pacific Loan Market Association, and Loan Syndications & Trading Association.

### Four Core Components



10. <https://www.ista.org/content/green-loan-principles/>

# CONCLUSION

## Liberty Tire Recycling's ESG Goals for the Future

Liberty Tire is proud of its accomplishments and commitment to products with a smaller carbon footprint, but LTR understands that they can have an even greater impact.

Liberty Tire Recycling has identified the following goals and targets to further reduce its environmental footprint.

### Climate Change

- ▶ Transition facilities annually to energy-efficient lighting by replacing all lighting with LED bulbs and compatible fixtures
- ▶ Consider renewable energy sources where applicable throughout the business
- ▶ Begin tracking and regularly monitoring climate change metrics (GHG emissions, etc.)
- ▶ Continue annual disclosure to support Walmart's Project Gigaton

### Sustainable Operations

- ▶ Establish office and plant recycling programs at all locations
- ▶ Inventory the usage of hazardous chemicals across sites annually and replace with non-toxic alternatives where possible
- ▶ Increase the number of tires turned into beneficial end use products year-over-year
- ▶ Reduce overall paper usage
- ▶ Continue to implement smart logistics technologies (such as Omnitrac) to improve route efficiency

### Product Quality and Safety

- ▶ Strive to have zero workplace injuries
- ▶ Continue to prioritize safety efforts in all Liberty facilities and implement new strategies to improve employee health & safety across the organization
- ▶ Monitoring customer inquiries to identify new areas of opportunity and implement improvement measures
- ▶ Increase the amount of post-consumer recycled content in all our packaging and reduce the size of corrugated packing
- ▶ Continuously strive for service level improvements to the satisfaction of all our customers
- ▶ Implement a Supplier Code of Conduct to ensure responsibility and ethical practices of our supply chain

### Diversity, Equity, and Inclusion

- ▶ Develop a policy and continue to expand this program. Continue to gather and track metrics across all facets of Liberty Tire
- ▶ Target recruiting efforts that will increase the diversity of Liberty Tire's workplace
- ▶ Expand employee engagement in volunteer efforts
- ▶ Raise awareness and engagement in DEI efforts throughout the company

### Product Innovation

- ▶ Continue to innovate and produce products with a smaller carbon footprint than a non-recycled alternative
- ▶ Value chain collaboration
- ▶ Continue research & development for efficiencies in equipment and manufacturing
- ▶ Continue to look for opportunities to increase circularity
- ▶ Focus on developing markets for low-carbon energy generation
  - Moving our sales up the value chain
  - Reducing tires collected that are landfilled year-over-year

## Risks and Opportunities

Liberty Tire continuously looks for opportunities to promote sustainable operation and enhance environmental stewardship.

As an organization, Liberty Tire's business and operations bring inherent risks and opportunities as it pertains to environmental stewardship. In the table below, LTR has identified some risks and opportunities that allow LTR to become better stewards for our business, our people, and the planet.

Top Sustainability Opportunitites	Top Sustainability Risks
Improved efficiency at the plants - renewable power usage, waste reduction, energy efficiencies, avoiding landfill disposal	Regulatory restrictions imposed on the recycling industry
Develop a carbon emission reduction plan	Insufficient consumer education on tire recycling and the benefits of recycled rubber products
Stay abreast of emerging technologies to improve circularity of rubber products	Need for more diversity within the company's senior leadership positions and Board of Directors
Integrate our focus on sustainability to better align with our customers priorities and promote ESG responsibilities with our supplier network	Limited new market development
Create training platforms to improve internal awareness of the benefits of sustainability across the organization	Lack of awareness regarding the significant environmental contribution that tire recycling makes to the global economy
Embrace the diversity of experiences within our employee base to create new opportunities for community involvement and volunteer efforts	Economic and environmental impacts related to tire fires

# United Nations Sustainable Development Goals (SDGs)

In 2015, the United Nations (UN) held the “2030 Agenda for Sustainable Development” which unveiled the UN SDGs. The SDGs are 17 principles that balance social, economic, and environmental sustainability.

**Liberty Tire Recycling is focused on three SDGs as we continue to drive a greener tomorrow.**



For more information on the SDGs, visit <https://sdgs.un.org/goals>

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