

2024-2025

Sustainability Report



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Letter from our Chief Executive Officer

Hello Discount Tire Family,

Our approach to sustainability is grounded in the belief that how we grow our business should also contribute to a stronger, healthier future. As caring people doing the right thing, we are focused on making thoughtful, responsible choices that benefit our Discount Tire family and the communities we serve. This commitment guides how we operate and how we continue to evolve, with an emphasis on building a business that is resilient, practical, and mindful of its impact over time.

It has been encouraging to see how teams across the organization are engaging with these efforts. From day-to-day decisions to company-led initiatives, there is a growing awareness of how our actions connect to something larger. These initial steps reflect a shared understanding that sustainability is part of how we do business, and that progress comes through steady, collective effort.

Sustainability is not a standalone initiative; it is an ongoing responsibility that requires consistency and care. We are laying the foundation in a way that reflects who we are and how we support the people and places connected to our business. We do this together!

Dean Muglia

Chief Executive Officer



Letter from our Chief Sustainability Officer

As Discount Tire's Chief Sustainability Officer, I am pleased to share the meaningful progress our organization has achieved over the past year. Supported by a dedicated and highly capable team that consistently delivers results beyond its scale, we have moved well beyond the foundational stage – sustainability is now operationalized across our business. Our Scopes 1, 2, and 3 greenhouse gas (GHG) measurement framework is established and maturing, providing a clear, auditable view of our environmental impact across the full value chain.

This year, we accelerated on multiple fronts – advancing our energy management systems (EMS) into new markets, launching our Total Recycling Initiative with our first original equipment manufacturer (OEM) partner, and strengthening our regulatory readiness under California's emerging climate disclosure requirements. These efforts are producing tangible outcomes: reducing operational risk, generating cost efficiencies, and positioning Discount Tire favorably for evolving compliance obligations and stakeholder expectations.

Sustainability is integral to our long-term business strategy. We remain committed to driving measurable progress, enhancing organizational resilience, and creating enduring value for our people, our customers, and our planet. I look forward to continued partnership with our leadership team and board of directors as we advance our sustainability roadmap and reinforce Discount Tire's standing as a responsible industry leader.

John Baldwin, Ph.D.

Chief Sustainability Officer



Our Strategy

Mission

To make more dreams come true

Vision

To Be the BEST!
Our unique success is based on Caring for and Cultivating People, Delighting Customers, and Growing Responsibly

Operating Principles

Integrity
Our People
Our Customers
Growth
Attitude

Our Core Focus Areas

At Discount Tire, sustainability means driving responsible decision making to ensure the lasting wellbeing of our people, our customers, and our planet, generation over generation.

1 Circularity

Through our actions and influence, seek to achieve recyclability of our products without negative effects.

2 Compliance and Government Affairs

Comply with applicable laws, regulations, and ethical conduct standards.

3 Decarbonization

Reduce emissions across our value chain substantially every year.

4 Engagement

Cultivate our community and our people to be informed and active in sustainability efforts.

2025 Highlights

100%

Energy Management Systems installed in California stores

30%

Increase in compost collected at corporate events

1000+

Second-hand branded merchandise
items recirculated to employees

2

Brands kicked off the Total Recycling Initiative





Our Planet

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Climate

2025 Greenhouse Gas Emissions

Measuring our GHG emissions is one of the most important ways we can track and manage our environmental impact as a company.

Scope 1

Direct emissions from owned or controlled sources.

Scope 2

Indirect emissions from the generation of purchased energy.

Scope 3

All indirect emissions (not included in Scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.*

YoY CO₂e Emissions

Discount Tire has been collecting GHG emissions data for all entities for a few years now, but this is the first time these numbers are being shared externally. This data includes owned and operated facilities, vehicles, and purchased energy.

The biggest challenge throughout this exercise has been increasing data quality so we can ensure that these numbers are accurate. We've made notable improvements year over year, and we're excited to see how this practice and data evolves with us for years to come.

WHAT IS CO₂e?

Carbon dioxide equivalent (CO₂e) is the standard unit for measuring GHGs. Different gases absorb different intensities of heat in the atmosphere. Because we collect data for carbon dioxide (CO₂), nitrous oxide (N₂O), and methane (CH₄), we adjust our measurements of N₂O and CH₄ to equal the intensity of CO₂. That's how we calculate our CO₂e.

2025

■ Scope 1 ■ Scope 2

34,000 MtCO₂e

54,000 MtCO₂e

88,000

*Pulled from [GHG Protocol materials](#)

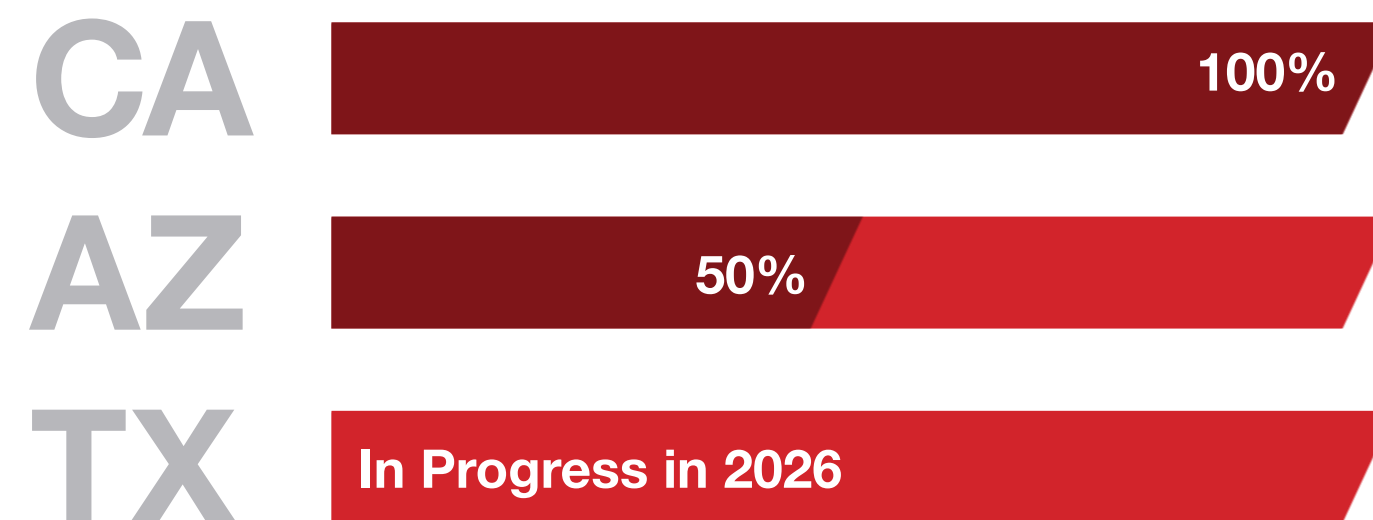
Energy Management System

Installing EMS in our stores is just one way we’re working toward our goal to reduce our Scope 2 (electricity consumption) GHG emissions. These tools optimize electricity usage and standardize the customer experience by autonomously setting store temperatures and turning lights off. By the end of 2025, EMS was outfitted in all California stores and piloted in Arizona, with more locations planned for Arizona and Texas in 2026.

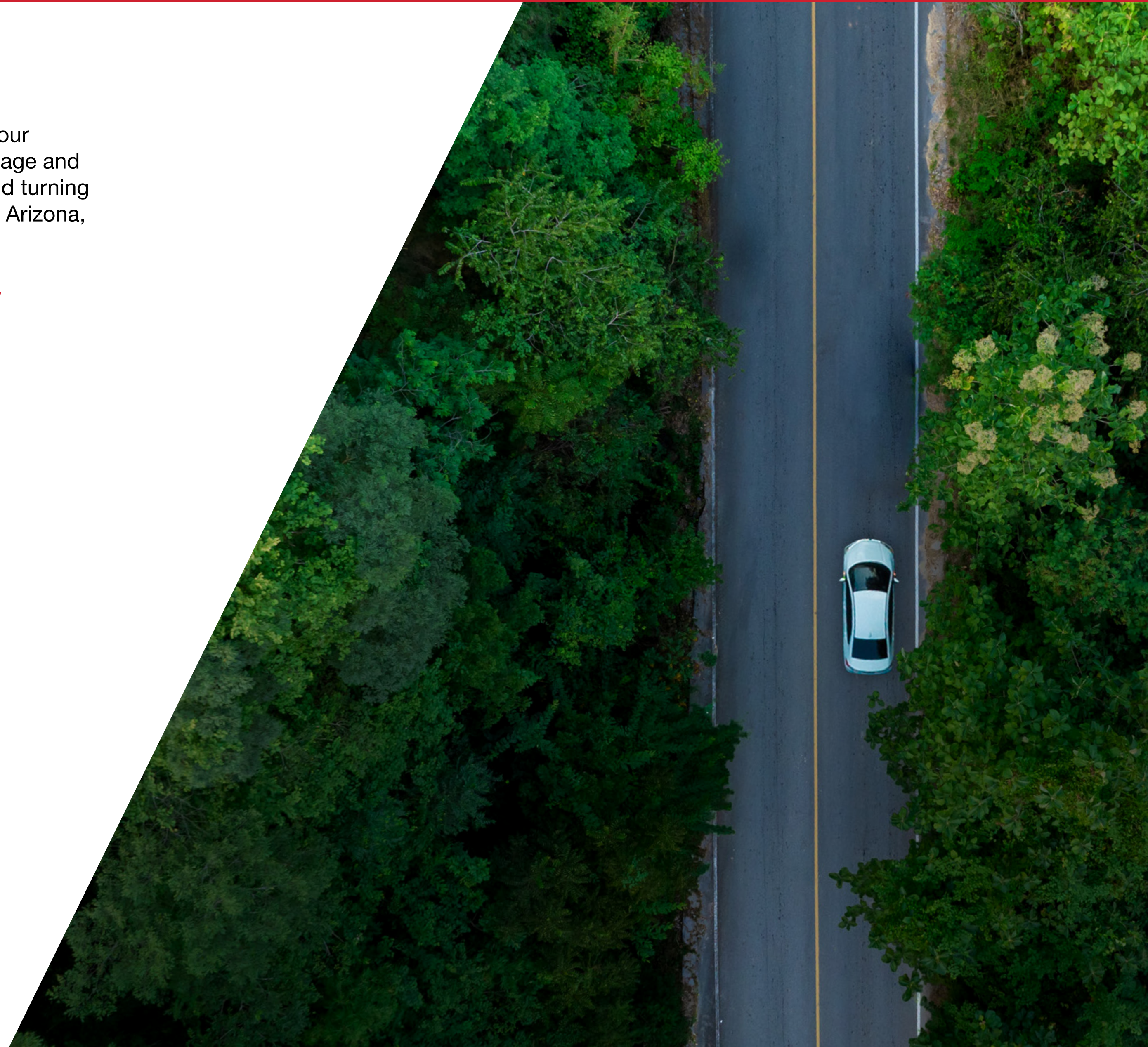
525,000 kWh In 2025, stores using EMS saved 525,000 kWh of electricity, which is the equivalent of the energy needed to power 50 homes for one year.

This investment enables a data-driven alignment of resource conservation and the customer experience. We’ve already seen an average **6%* reduction in electricity consumption** at our sites outfitted with an EMS, proving that operational efficiency is a meaningful sustainability practice.

EMS Installs



* This number was derived by taking the sum of each month for 2024 and 2025 and applying a percentage difference calculation (current period-previous period)/previous period. Only stores with EMS installed were used in the calculation.



Supply Chain

SmartWay is a program from the Environmental Protection Agency (EPA) to help the freight and shipping sector reduce fuel consumption and GHG emissions during transportation. Discount Tire has been partnered with SmartWay since 2023. 98% of carriers used by Discount Tire are EPA SmartWay certified, and we continue to strive for 100% participation. We value transparency and commitment among our partners when it comes to reducing the environmental impact of our operations.



Resource conservation leads us to optimize efficiency of operations, which saves both money and time. Sustainable decision making is essential to doing good business.



Supply Chain and Logistics Team (from left to right):
Dustin Ellis, Jon Zarricina, Dave Davis, Cheryl Reuss, and Ben Myers

Circularity

Waste Diversion at Company Events

As a company with a strong culture, our events are a big deal. Incorporating sustainable practices into our events is one way we make sure we're **delivering the best** to our people.

Two of our largest company events made the swap from single-use plastic bottles to single-use aluminum cans to **improve the recyclability** of the waste generated from these events. Reusable water bottles are also becoming more explicitly encouraged to reduce reliance on single-use items overall.

At Pit Crew Challenge, an annual event held in Las Vegas and attended by hundreds of employees and vendors, our Events Team works with a local vendor to sort out our recyclable and compostable materials so they can be diverted from the landfill. Extra food, however, does not get composted. Instead, all uneaten food is **donated** to local nonprofits or dropped off at local stores.

32% **increase in volume of compostable material collected**

The four major events hosted at our Arizona corporate office throughout the year are also seeing some sustainable shifts. A partnership with a local vendor has allowed for the standardization of composting. The compost created from waste at these events is then used by local Arizona farmers to grow new food. The Sustainability Team also hosts a raffle – the **Bring Your Own Bottle (BYOB) Raffle** – to incentivize reusables and has swapped single-use plastic water bottles with single-use aluminum cans. These efforts aim to reduce the waste we generate and responsibly manage the waste we cannot avoid.



Swag Swap

We would like to highlight an event that was added to the calendar in 2025: the Swag Swap!

For this event, corporate employees were invited to donate branded merchandise that may have been sitting in their closets or cabinets for years. Donors received tickets they could trade for a new-to-them item, and everything else was priced at \$1. This is an event that allows our people to learn about and participate in circularity at the same time! Large or small, this event was a great fit for growing engagement around sustainability.

We collected over 1,000 company-branded items:

Tees
Polos
Button-downs
Jackets
Backpacks and coolers
Laptop bags
Bottles and mugs
Hats

We diverted 500 lbs of material away from the landfill by:

Swapping
Repurposing
Recycling
Recirculating



Total Recycling Initiative

At Discount Tire, we believe that taking care of your tires means taking care of the planet too. That’s why we’ve launched our Total Recycling Initiative, a new way to make sure every tire we handle gets a second chance.

What We’re Doing

We are leading our industry toward a more sustainable future by leveraging our manufacturing and recycling partnerships. Our common goal is to increase capacity for recycling tires into new products such as parking curbs, floor mats, rubber-modified asphalt, and more.

Why It Matters

Tires don’t belong in landfills. Through this effort, we are helping reduce waste, conserve resources, and support a healthier environment, all while delivering the same trusted service you expect from Discount Tire.

A Circular Economy Starts Here

When you choose Discount Tire, you’re not just buying tires. Together, we’re building a world where old tires roll into new possibilities.

Sentury was the first OEM to join this program. Stay updated on brands that have joined our Total Recycling Initiative on our Discount Tire website [here](#).

Wheel and Wheel Weight Scrap Recycling

YEAR	WEIGHT OF RECYCLED MATERIAL
2025	17,000,000 lbs.
2024	16,000,000 lbs.



SCRAP TIRE END MARKET

We’re excited to track how the Total Recycling Initiative impacts these numbers over time.

2024

Tire Derived Fuel



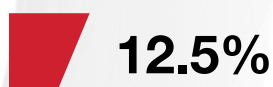
Landfill



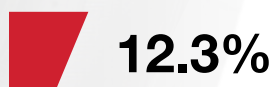
Crumb Rubber



Resell



Mulch



Civil Engineering



Wire (steel reclaim)



2025

Tire Derived Fuel



Landfill



Crumb Rubber



Resell



Mulch



Civil Engineering



Wire (steel reclaim)





Our People

TIRE RACK

Sustainability Committee 15

EMPLOYEES

Engagement 16



Sustainability Committee

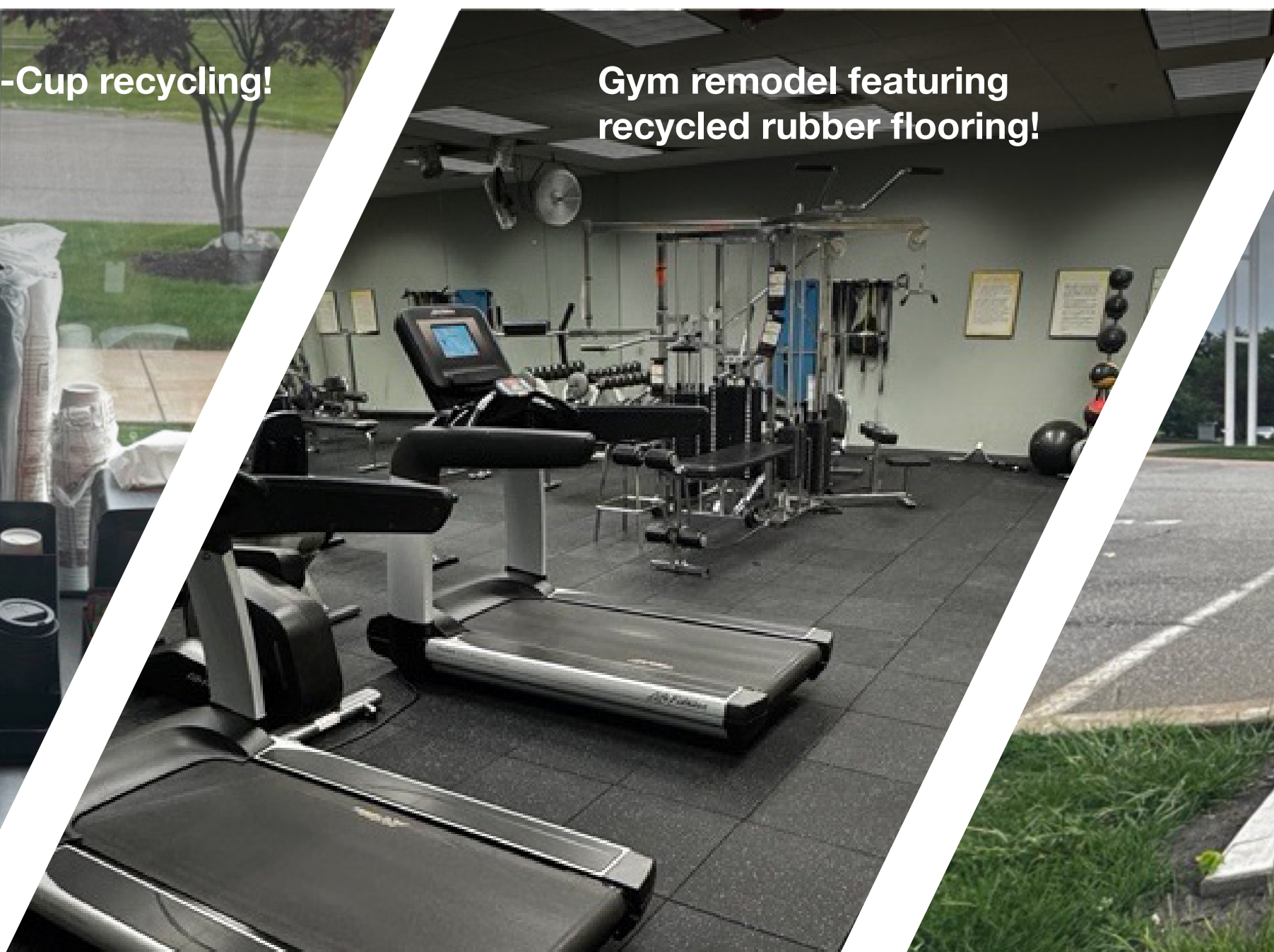
We are proud to highlight our Tire Rack family and their Sustainability Committee's efforts to integrate sustainability into company-wide business practices. In 2025, Tire Rack's Sustainability Committee led initiatives to promote tire circularity, reduce emissions, and engage their community both inside and outside the office.



Electric Yard Trucks!



Coffee station K-Cup recycling!



Gym remodel featuring recycled rubber flooring!



Received a Partners for Clean Air award after collaborating with the state to test drive electric vehicles (EVs) and putting EV chargers in their headquarters.

Employees

Engagement

Sustainability is not only the job of the Sustainability Team. It belongs to everyone. Employee engagement is essential to being a sustainable company. At Discount Tire, we do this together, GHG emissions and beyond.

We asked some of our people why sustainability is important to them:

“Sustainability is one of the many ways we can pay it forward as an organization.”

“The choices we make today – how we manage waste, how we consume resources, how we extend the life of products – directly shape the world we hand to the next generation. For a company as deeply family rooted as Discount Tire, that should resonate at our core.”

“There are innovative solutions to our sustainability problems that will help us to pay it forward and grow responsibly.”

“Sustainability is an investment in resilience, reputation, and employee engagement.”

“It’s a long-term investment in our brand and our people.”

“Sustainability is a core part of Discount Tire’s culture. It aligns with our strategy for doing business: inviting, easy, and safe. ‘Inviting’ reflects our culture, ‘easy’ represents financial value and affordability, and ‘safe’ emphasizes being environmentally responsible.”





Our Part

COMPLIANCE

Audit Readiness

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Compliance

Audit Readiness

Sustainability at Discount Tire is committed to applying proper due diligence and assurance to all processes. We strive to be the best and do right by both our company and industry.

We are actively implementing frameworks to comply with California Senate Bill (SB) 253 (Climate Corporate Data Accountability Act) and California SB 261 (Greenhouse Gases: Climate-Related Financial Risk Disclosure Program). Our teams seek to continuously monitor federal and state regulations related to both sustainability and the automotive industry so we can prepare appropriately.

Our goal is to ensure our sustainability reporting is reliable, relevant, and resilient year over year as we continue to make positive changes that impact our people, our planet, and our industry.

SB 253

Climate Corporate Data Accountability Act

[Read full legislation](#)

SB 261

GHGs: Climate-Related Financial Risk

[Read full legislation](#)

