



SUSTAINABILITY REPORT 2025



Vaculug Limited

Vaculug House, Grantham, NG31 8HE

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1

MESSAGE FROM OUR CHAIRMAN

MESSAGE FROM OUR CHAIRMAN

It is with great pride and gratitude that I present Vaculug's 2025 Sustainability Report, reflecting our commitment to building a more sustainable, responsible, and prosperous future for our planet, our people, and the communities we serve. As we celebrate 75 years of Vaculug, this year marks another important milestone in our journey of sustainable transformation.

Over the past year, we have built on the strong foundations established in previous years, making meaningful progress across our sustainability journey and further embedding Sustainable Thinking throughout our business. I am proud of what we have achieved as we continue strengthening our position as a responsible and purpose-driven business.

Whilst reducing our carbon footprint remains central to our strategy, we recognise that sustainability is about far more than the environment alone; it is equally about people, communities, and creating long-term positive impact. Throughout 2025, we strengthened our support for communities through initiatives focused on education, healthcare, road safety, and wider social impact, both locally and internationally.

One of the defining milestones of this year was becoming the first retreader in Europe to achieve Certified B Corporation status, recognising our commitment to high standards of social and environmental performance, accountability, and transparency.

While we are proud of the progress achieved, we recognise there is still much more to do. Sustainability is a journey, not a destination, and we remain committed to improving, innovating,

and leading responsibly. Our partnerships with customers, suppliers, and stakeholders remain vital as we work together to create a more sustainable future for our industry and wider society.

This report is more than a summary of progress; it reflects our values, culture, and belief in the power of collective action. To our customers, partners, and the entire Vaculug family, thank you for your continued trust, support, and collaboration. Together, we are proving that businesses can lead with purpose, create shared value, and leave a lasting positive impact for future generations.

Let us continue to drive meaningful change: for our planet, our people, and generations to come.

Waheguruji!

With gratitude and determination.



Haarjeev Kandhari

Vaculug, Chairman





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CELEBRATING 75 YEARS AS A SUSTAINABLE BUSINESS



75 YEARS AS A SUSTAINABLE BUSINESS

2025 marked a landmark year for Vaculug as we proudly celebrated 75 years in business: an achievement few companies can claim and one that reflects decades of resilience, innovation and responsible growth.

Since our foundation in 1950, Vaculug has continuously evolved while remaining true to the values that define our business: family culture, innovation and a responsible approach to business. From pioneering sustainable tyre retreading solutions decades ahead of industry trends to continuing our journey towards carbon net-zero today, sustainability has long been embedded within our DNA.

As we celebrate three quarters of a century, this report not only reflects on the progress we have made, but also the ambition that continues to drive us forward. Through our fourth consecutive Sustainability Report, we remain committed to transparently sharing our journey and the actions we are taking to create a better future for our planet, our people and our communities.

At Vaculug, we believe sustainable progress requires a holistic perspective: investing in a stronger and more sustainable future, taking meaningful action today, and continuing to honour the legacy that has shaped our business over the past 75 years.

With 75 years of heritage behind us, we look ahead with confidence, purpose and continued determination to lead responsibly for the next generation.

OUR JOURNEY TO 75 YEARS

1950: When it all began

Vaculug first began in 1950, just after WWII. Production began using the Vaculug process and after a short time, an increase in demand saw the closure of the site in Great Ponton and the opening of a larger plant in Gonerby, Grantham. The process incorporated various sectors of the industry – car, truck, tractor and earthmover.



1960: Innovating the industry

Vaculug introduced the revolutionary “V-Lug” technology, a breakthrough in tyre design within the DURAMOULD range. With its innovative tread pattern optimising traction, stability and durability, it redefined performance and sustainability, establishing Vaculug as a leader in tyre engineering and fleet management innovation.



1970: Pioneers in sustainability

In the 1970s, Vaculug emerged as an innovator and pioneer in sustainability within the tyre industry. In 1970, we revolutionised tyre manufacturing by introducing recycled materials into production, showcasing our commitment to reducing our ecological footprint. Despite challenges, we invested in research to ensure our sustainable tyres met and exceeded industry standards, setting a benchmark for eco-friendly manufacturing. Looking back, Vaculug takes pride in championing sustainability well ahead of its time.



1980: Leaders in safety and quality

In the 1980s, Vaculug revolutionised the tyre industry with innovative casing inspection and ultrasound scanning techniques. Introduced in 1980, these breakthroughs transformed tyre quality assurance by enabling precise detection of structural imperfections. This commitment to innovation and excellence set new standards for tyre integrity and safety, a legacy that continues to define Vaculug today.



1990: Opening new frontiers in the industry

Vaculug became the world's first independent retreader to develop a fleet management solution, introducing the innovative Vaculug Management System (VMS). This ground-breaking system revolutionised tyre fleet management by integrating advanced tools for monitoring, analysing and optimising tyre performance. With features like tread depth analysis and predictive maintenance, VMS enhanced safety, efficiency and cost-effectiveness, setting a new industry benchmark. The 1990s marked a pivotal era of innovation for Vaculug, showcasing our commitment to progress and excellence in tyre management solutions.



2000: Building on our sustainability leadership

As the new millennium dawned, Vaculug committed to safeguarding the environment for future generations. Recognising the ecological impact of industrial practices, we adopted sustainable management strategies that prioritised efficiency and environmental preservation. Key initiatives included introducing eco-friendly technologies, reducing waste, and conserving energy, while embedding sustainability into our organisational culture. Empowering our workforce with environmentally conscious practices, Vaculug set a benchmark for responsible manufacturing and innovation, inspiring peers across the industry.



2010: The beginning of a new era

Vaculug expanded its environmental commitment, launching tyre disposal and recycling programs that promoted circularity and sustainable consumption. Collaborating with industry leaders and advocating for eco-friendly practices, the company drove awareness about environmental welfare. Haarjeev Singh Kandhari acquired Vaculug in 2018, ushering in a new era of vision, innovation and investment, with a focus on excellence and the empowerment of its people.



2020: Navigating uncertainty through sustainability

Despite the challenges of COVID-19, Vaculug continued its evolution with a focus on growth and transformation. Strategic investments, process improvements, and a renewed corporate culture strengthened the company. The launch of Vaculug University and workforce training emphasized its commitment to innovation in the tyre industry. Leadership restructuring in 2020 and 2024 ensured strong guidance for the future, proving that even in adversity, Vaculug's resilience and dedication to excellence remained unwavering.



2025: CELEBRATING 75 YEARS AS A SUSTAINABLE BUSINESS

75 Scholarships for 75 years

We fundamentally believe in the power of education to transform lives and create lasting change.

So what better way to mark 75 years in business than by sponsoring the education of 75 girls in India through our Oneness Education Initiative?

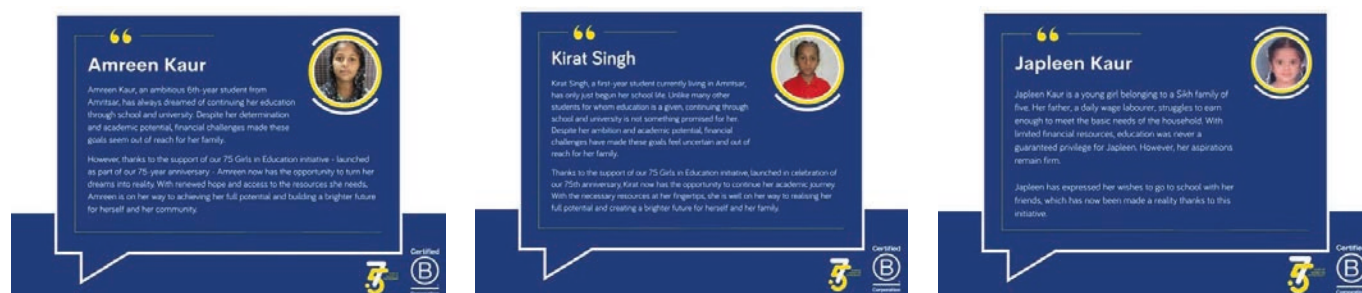
For many girls in India, education remains out of reach, held back by societal norms, economic constraints and infrastructural challenges that continue to limit their potential and future opportunities.

As part of our 75th anniversary celebrations, we proudly sponsored the education of 75 girls in India through our Oneness Education Initiative. Through this commitment, we are covering tuition fees, providing school supplies and ensuring each girl has access to a safe and supportive learning environment, giving them the tools they need to build independent, successful futures.

We recognise that the impact of this investment extends far beyond the individual. Empowering a girl through education does not simply change her future, it uplifts her entire family and strengthens the

wider community around her. At Vaculug, we are proud to play a role in shaping a more equal and inclusive world, one that reflects the values we have built our business on over the past 75 years.'

As part of this initiative, we have been sharing the stories of the girls we have sponsored across our social media channels, celebrating their journeys, inspiring the next generation of innovators, changemakers and sustainability leaders, and encouraging other businesses to take meaningful action for a more equitable and sustainable world.



Giving Back to Nature

Our sustainable thinking philosophy and our circular retreading process have always been rooted in a simple belief: to leave the planet in a better state than we found it. For this reason, we committed to planting 75 trees, one for every year of our journey, as a living tribute to our past and a tangible investment in our future.

This initiative, currently in progress and set to be completed in the near future, directly supports our biodiversity commitments and our contribution to SDG 15 (Life on Land).

Each tree planted is a reminder that sustainability is not a destination, it is a responsibility we carry forward, year after year, and a symbol we leave behind of our sustainable legacy.

A worthy celebration of our Vaculug family

Finally, we wanted to honour the people who made all of this possible — our Vaculug family. To mark such a momentous occasion, we needed an equally

iconic setting. In 2025, we were proud to invite our extended Vaculug family, partners and friends to celebrate with us in the historic Members' Dining Room at the House of Commons — a venue that felt as fitting as the milestone itself.

None of this would have been possible without the dedication, passion and hard work of the entire Vaculug team, past and present. Your commitment has built the foundation we stand on today and continues to drive our innovation and sustainability journey forward. Here's to the next 75 years.





2025 and beyond: Ushering a new era of sustainable growth

75 years on, Vaculug continues to build on its legacy as Europe's largest independent retreader and a pioneer of sustainable innovation within the tyre industry. While growth and operational excellence remain important, we understand our value extends far beyond profit alone. Through our sustainable thinking approach, we continue to lead responsibly across our industry and within the communities we serve.

Our history is not only something to celebrate, but a responsibility to uphold.

The innovation, resilience and forward-thinking mindset established throughout our journey have set a precedent that continues to drive us towards sustainability leadership today. As we look ahead, we remain committed to building on this legacy and carrying forward the responsibility it has given us to continue creating meaningful and lasting impact.

2025 has marked the beginning of an exciting new chapter for Vaculug. Throughout this report, we showcase many of the important milestones and achievements reached over the past year, including becoming a Certified B Corporation — a significant milestone that reflects our commitment to the highest standards of social and environmental performance, transparency and accountability.

As we look towards the future, we do so with ambition, gratitude and determination to continue growing sustainably for generations to come.











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SCOPE OF THE REPORT

SCOPE OF THE REPORT

Our 2025 Sustainability Report represents the latest edition of our yearly commitment to being a sustainable and prosperous business. Since publishing our first report in 2023, we have continued to build strong momentum, making tangible progress in embedding sustainability across our organisation and strengthening our role as a responsible business for both people and the planet.

This report highlights the progress achieved over the past year and the initiatives that continue to drive our sustainability agenda forward. It outlines where we are advancing in line with our strategic objectives, while reaffirming the commitments that guide our long-term direction. As with previous editions, the report also sets out our focus areas for the years ahead as we continue our sustainable transformation journey. Through this journey, we have recognised that sustainability goes beyond a single objective or compliance exercise. It represents an evolving mindset that supports continuous improvement, business resilience, and long-term value creation. This Sustainable Thinking approach continues to shape how we make decisions, plan for the future, and operate across the business.

Our Sustainability Strategy, first developed in 2022 with the guidance of our Chief Sustainability Advisor and sustainability expert Paolo Taticchi, has been renewed for the 2026–2028 period and remains the cornerstone of our approach. The strategy provides a clear roadmap for action and has positioned Vaculug as a leader in the sustainable transformation of our industry. In line with our commitments, it sets out clear carbon reduction objectives to guide our efforts throughout this decade.

Demonstrating our commitment to action, in 2023 we partnered with a third-party specialist to undertake a comprehensive carbon assessment. This assessment established our baseline carbon footprint using 2021 data and identified the areas where we can make the most meaningful impact, particularly across Scope 1 and Scope 2 emissions. We are now renewing the assessment internally, using the findings to inform our priorities and support a focused, evidence-based approach to sustainability management.

We remain fully committed to driving sustainable transformation across our organisation and wider industry. We understand that measuring impact and being transparent about our journey is essential,

and our annual Sustainability Report is a key way we communicate our progress, priorities, and ambitions to stakeholders throughout the year.

Beyond highlighting our achievements, this report outlines our sustainability commitments in alignment with the United Nations Sustainable Development Goals (SDGs), including our ambition to achieve carbon neutrality by 2030. It also showcases the forward-thinking and collaborative initiatives we have developed with partners who share our sustainability values and long-term vision, as we continue to go beyond what is required to drive maximum impact, including pursuing B Corp status and voluntarily aligning with best-in-class frameworks such as the CSRD.

While we are proud of the progress achieved so far, we are even more inspired by the opportunities ahead. Together with our Vaculug family, customers, partners, and communities, we continue to build a more sustainable and resilient business, guided by our values of family, sustainability, and innovation, and our commitment to creating lasting positive impact for future generations









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OUR VACULUG JOURNEY



PEOPLE

Donated 250,000 textbooks to schools in India through our Oneness Education Initiative

Through our Vaculug Foundation we funded the education of 75 girls in India to mark our 75th anniversary

Built 15 homes in 2025 our Homes for Hope initiative

We fed more than 250 000 people in need through our Vaculug Foundation

In 2025 we employed 214 employees and continued to foster a safe and happy workplace for all our people

PLANET

We are committed to carbon neutrality by 2030.

Our net-zero targets submitted to the SBTi in 2023 have been approved

Completed our first carbon assessment and external audit in 2023 (based on year 2021)

Diverted 261,000 tyres from landfills in 2025

We have made the following savings: 14,866,000 kilograms of rubber, 4,984,000, kilograms of steel and 52,156,000 kilograms of CO2

PROFIT & RESPONSIBLE GOVERNANCE

Europe's largest independent retreader, celebrating 75 years of being a responsible and prosperous business

Member of the UN Global Compact

Building a responsible and growing business with over 261,000 tyres processed in 2025

Member of the Tyre Recovery Association

Working on voluntary alignment with CSRD

We are the world's first and only independent retreader to align our goals with the Tire Sector SDG Roadmap

PEOPLE



COMMITTED TO ACHIEVING CARBON NEUTRALITY BY 2030



At **Vaculug**, we are strongly committed to become carbon neutral by 2030. This means that greenhouse gasses produced by our activities will be balanced by the amount removed from the atmosphere. By doing this, we recognise the importance of becoming more ecological every day.

OUR SUSTAINABILITY IN MOTION ROAD MAP

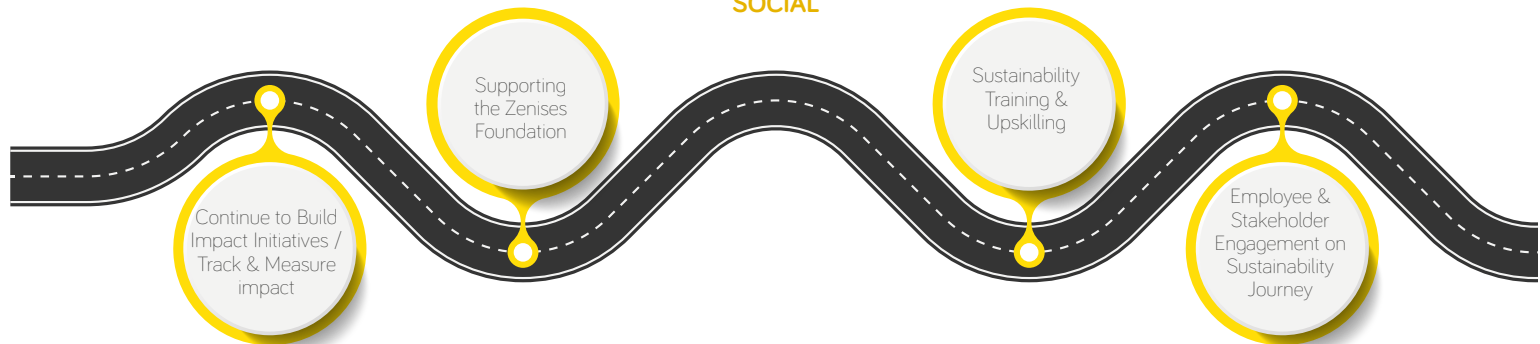
We are the first independent retreader in the world to align with the wider Tire Sector SDG Roadmap, led by the Tire Industry Project*. As a smaller organisation, with the bold ESG goals and commitments we have defined for the next 3 years, we are positioning ourselves among the larger players across the industry who are committed to contributing to the global SDGs.

As we continue on this journey towards creating a better world, in alignment with the industry-wide agenda, we have developed our **Sustainability in Motion Road Map** which will lead the way forward - for our Vaculug family, our stakeholders and our business.

ENVIRONMENTAL



SOCIAL



GOVERNANCE



* Source: https://sustainabilitydriven.info/wp-content/uploads/2021/05/WBCSD_TIP_Sustainability-Driven-SDG-Tire-Sector-Roadmap.pdf, accessed May 2023.

OUR VISION We want to make the world more sustainable for the next generations.

OUR CORE VALUES Family culture. Responsible business approach. Driven by innovation.

OUR APPROACH We integrate #SustainableThinking into our every day core decisions.

VALUE WE CREATE FOR PEOPLE, PLANET & PROFIT

PEOPLE

Taking care of our family **186** employees and growing



PLANET

Respecting the environment

Reduced our tyre carbon footprint by **20%** over the last two decades



PROFIT

Building a responsible business

Processed over 261,000 tyres in 2024 **up 7.9%** compared to 2023



OUR COMMITMENTS

- To be Carbon Net-Zero (scopes 1 and 2) by 2030
- Align with Tire Sector SDGs Roadmap
- SBTi targets submitted



CREATING VALUE WITH OUR STAKEHOLDERS

Committed to quality & excellence



OUR COMMUNITIES

We support several community initiatives through the Vaculug Foundation. These initiatives are aimed at improving quality of life for people and communities near and far.. Over 100 scholarships funded, in the UK and India, and over 125,000 people fed (at a single day event)



THIS IS SUSTAINABILITY IN MOTION.

THIS IS THE VACULUG WAY.





COMPANY OVERVIEW

We are Europe's largest independent retreading enterprise. Founded in 1950, Vaculug is a longstanding private and multi-generational family business, built on a strong foundation of family values. Our headquarters are based in Grantham, United Kingdom, on a site spanning 12 acres, with additional offices in Leicester and London. Operating on a circular business model, Vaculug produces high-quality retreaded tyres for fleets across the UK and Europe and delivers industry-leading fleet management solutions to its customers.

In addition to our core retreading and fleet management operations, Vaculug operates two further business divisions: Grumac and TEC (Tyre Equipment Company). Grumac supplies manufacturing equipment parts and consumables, while TEC operates as an e-commerce platform providing retreading parts to customers. In 2025, we employed 214 people across the organisation (up 15% versus year prior) and processed over 261,000 retreaded tyres. On the fleet management side of the business, Vaculug managed 875,000 wheel positions for over 91,000 commercial vehicles across the UK. As in previous years, the retreading and fleet management divisions each contributed approximately 50% of total revenue.

In July 2018, Vaculug underwent an ownership transition and embarked on a renewed journey of sustainable transformation under new leadership. As we continue this journey, we remain focused on being not only a responsible business, but also a prosperous one. The important work delivered through the Vaculug Foundation depends on our ability to build a resilient and successful business for the long term.

Growing a sustainable business in a challenging economic environment, marked by ongoing cost pressures and broader uncertainty across the UK economy, continues to require focus, discipline, and long-term thinking. Despite these challenges, we have remained committed to our strategy, our values, and our plans. Guided by sustainable thinking and our core values of family culture, sustainability, and innovation, we have stayed firmly focused on our long-term vision for the company.

We are proud of the progress achieved over the past year. In 2025, Vaculug recorded business growth of 17%, reflecting the continued strength of our operating model and the commitment of our

people. This progress has been achieved without compromising our sustainability strategy or long-term commitments. On the contrary, throughout the year we have continued to advance the sustainability-focused initiatives and plans that will shape the next phase of our journey.

These achievements are the result of the dedication, resilience, and shared purpose of the entire Vaculug family. Together, we continue to build a business that demonstrates how sustainability, commercial success, and long-term value creation can go hand in hand.

SUSTAINABLE THINKING APPROACH & LEADERSHIP

Our business continues to be guided by our core values of family culture, sustainability, and innovation. Over the past 75 years, we have forged strong, enduring relationships with our employees, partners, and local communities. We believe that for our business to thrive, it is essential that we actively support and contribute to the wellbeing and prosperity of the people and places around us. This belief drives our commitment to social impact, reflected in the initiatives we support through the Vaculug Foundation. Our dedication is also reflected through our strategic investment of resources, with 10% of our profits directed towards the Foundation's work. Our organisation exists with one primary purpose: to fuel and support the meaningful work of the Vaculug Foundation, to help leave the world a better place than we found it.

"We fervently believe that the success of our business is closely tied to the well-being of our people and communities. By supporting and lifting our Vaculug family and surrounding communities, we are laying the foundation for building a sustainable and prosperous business and realising our vision to create a better world."

Haarjeev Kandhari, Vaculug Chairman

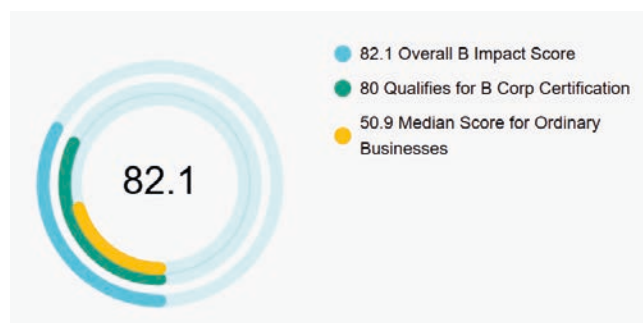
Our sustainable thinking approach to business also underpins the family culture we have nurtured over the last 75 years. This culture is central to our success and extends to the relationships we have established with our longstanding partners and customers, who increasingly share our commitment to sustainability and mutual prosperity.

Closely tied to our commitment to operating as a responsible and sustainable company is our dedication to caring for our employees and the communities in which we operate. Through our sustainable thinking mindset and innovation-driven approach, our leadership team remains committed to strengthening our role as a sustainability leader in our industry.

In line with our efforts to deepen our sustainability expertise and governance, in May 2023 we appointed sustainability expert, thought-leader and scholar Paolo Taticchi to the role of Chief Sustainability Advisor. Paolo Taticchi is a Professor of Strategy and Sustainability at the UCL School of Management (a globally recognised top-10 business school). Paolo has played a pivotal role in helping us design and update our Sustainability Strategy and Sustainability Reports. With Paolo's ongoing guidance, we remain committed to advancing our sustainability leadership and long-term impact.

With each step we take on this journey, we continue to advance towards achieving our goals for a better, more sustainable planet. The unwavering support and contributions of our Vaculug family, partners, and stakeholders remain critical as we work to realise our shared vision.

This shared ambition has resulted in a major milestone in our sustainability journey occurred in early 2025, when Vaculug achieved Certified B Corporation status, demonstrating that we meet rigorous standards of social and environmental performance, accountability, and transparency. To obtain the B Corp Certification, companies must score a minimum of 80 points on the B Impact Assessment, demonstrating strong performance across governance, workers, community, environment and customers. This journey, started in 2023 has resulted in Vaculug joining a global community of purpose-driven businesses that balance sustainability and profit while driving positive impact for workers, communities, customers, and the planet reinforcing our commitment to responsible business practices and shared value creation.



Source: <https://www.bcorporation.net/en-us/find-a-b-corp/company/vaculug/> Accessed February 2026

#SUSTAINABLE THINKING INSIGHT

THE B CORP MOVEMENT: WHAT IT IS AND WHY IT MATTERS

- The B Corp movement has one single unifying goal: to make business a force for good.
- As of January 2026, over 10,000 companies with over 1 million employees across 103 countries worldwide are certified as part of the global B Corp movement.
- According to a study by B Corp UK, B Corps in the UK outperform their competition across several six key metrics:
 - Faster annual growth in turnover
 - Faster annual growth in employee headcount
 - Greater levels of employee retention, engagement and diversity
 - More robust governance processes
 - Greater focus on civic and community engagement
 - Higher levels of innovation
 - More successful at securing equity finance

Source: <https://bcorporation.uk/b-corp-certification/before-you-certify/why-certify-as-a-b-corp/>, accessed February 2026.

“Achieving our B Corp status after a year-long certification process is a natural progression of our commitment to making a positive impact on both our industry and the wider world”.

Mark Holloway, Head of Sustainability

Becoming a certified B Corporation not only validates the efforts we have made across all areas of our business but also strengthens our governance and accountability, giving us a structured framework for continuous improvement and stakeholder engagement. As part of this global movement, we are proud to stand alongside like-minded organisations that aim to honour sustainable business purpose and transparency.

“Being the first retreader in Europe to achieve this certification is a significant milestone for us and for the sector as a whole.”

Mark Holloway, Head of Sustainability

Reflecting on our journey to date, we are proud of the progress we have made in advancing our vision of creating a better world for future generations. Our sustainability journey continues to be guided by our purpose-driven Chairman and leadership team, whose long-term stewardship has been instrumental in embedding Sustainable Thinking across the business.

As an active sustainability thought-leader, our Chairman continues to promote Vaculug’s values and approach both internally and across the wider industry, sharing insights through written contributions (appendix 5), industry events and external forums.

“We are excited about continuing to collaborate with our valued stakeholders as we collectively strive to achieve the ambitious goals set for the next few years. The momentum we have created together is propelling us towards creating a better world in line with our vision.”

Jorge Crespo, Managing Director

Since embarking on our sustainability transformation

several years ago, we have made meaningful progress. This progress reflects the commitment and leadership of our management team, as well as the continued engagement and support of our employees, partners, customers and suppliers.

Looking ahead, we remain committed to working closely with our stakeholders as we pursue the objectives we have set for the years to come and continue to build long-term, positive impact together.

#SUSTAINABLE THINKING INSIGHT REDEFINING LEADERSHIP IN AN ERA OF SUSTAINABLE GROWTH

A 2023 article by McKinsey re-defines leadership for a new era and offers five shifts that will be vital for the long-term success of organisations, and those leading them:

- Beyond profit to impact: be visionary and generate impact for all stakeholders with a possibility mindset.
- Beyond expectations to wholeness: be an architect that co-creates new value with an abundance mindset.
- Beyond command to collaboration: be a catalyst of collaboration within empowered networks with a partnership mindset.
- Beyond control to evolution: be a coach that fosters learning with a discovery mindset.
- Beyond competition to cocreation: be human by our best selves with an authenticity mindset.

Source: <https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/new-leadership-for-a-new-era-of-thriving-organizations>, accessed February 2026.

ON A JOURNEY TO NET-ZERO



At **Vaculug**, we are strongly committed to become carbon neutral by 2030. This means that greenhouse gases produced by our activities will be balanced by the amount removed from the atmosphere. By doing this, we recognise the importance of becoming more ecological every day.







5

OUR COMPANY VISION, MISSION & VALUES

VISION, MISSION AND VALUES

Our vision, mission and values continue to be driven by a strong commitment to creating positive impact. This commitment is reflected in how we operate as a business, with our core values of family culture, sustainability and innovation shaping decisions across all areas of our organisation. Sustainability is not treated as a standalone initiative, but as an integral part of how we create long-term value.

Our approach, known as “Sustainable Thinking”, reflects our ambition to operate responsibly while contributing to progress across our industry. It represents a shift from intention to action, focusing on embedding sustainability into everyday decision-making, strengthening capabilities, and continuously improving performance. Through this approach, we aim not only to lead by example, but to engage and support others as they navigate their own sustainability journeys.

We recognise that meaningful progress requires knowledge, collaboration and shared learning. At Vaculug, we foster a culture of continuous development and actively invest in strengthening our expertise. Over the years, we have worked closely with academic institutions, industry experts and specialist partners to enhance our understanding and performance. These collaborations increasingly extend beyond our organisation, enabling us to engage partners and customers in collective progress and shared responsibility.

We also see an important role for Vaculug in contributing to the wider advancement of sustainability within our sector. We continue to share insights and best practices through industry engagement, events and written contributions. Through this outward-facing dialogue, including

regular thought leadership from our Chairman, we aim to encourage informed discussion on the challenges and opportunities facing businesses, particularly SMEs, in a rapidly evolving global context (see Appendix 5).

At Vaculug, Sustainable Thinking is not a slogan or a short-term response to external expectations. It is a long-term mindset that underpins how we operate, how we collaborate with stakeholders, and how we work towards building a more resilient and sustainable future.

OUR VISION

We want to make the world more sustainable for the next generations.

OUR MISSION

Our mission is to build a responsible and prosperous business that creates shared value for our surrounding communities, near and far. We do so by respecting the planet, by supporting our communities, by innovating our offerings and services for our customers, and by fostering a family culture for our people.

Together, our vision and mission are driven by our commitment to supporting the vital work we are doing through our charity, the Vaculug Foundation. By building a responsible and prosperous business, we are accelerating our efforts to make a positive impact for our surrounding communities, our people, and the planet.





THIS IS SUSTAINABILITY IN MOTION.

Together with our stakeholders, **we are on a mission to build a responsible business and sustainable future.**

We are leading the way on sustainability across our industry in the following ways:

- Sourcing renewable materials to produce high-quality, safe, first-class retread tyre ranges efficiently and responsibly.
- Using and optimizing VMS, our industry-leading tyre fleet management system, to manage any fleet in a compliant, cost-effective, and comprehensive approach that meets all customer needs.
- Developing new and innovative products and processes to benefit operators in all sectors of the market.
- Advocating and promoting the environmental benefits of retreading through our sustainable thinking approach and leadership.
- Focusing on reducing our impact on the environment in everything we do by improving and optimising our processes.
- Investing in training and developing skills and knowledge of our people, partners and customers to elevate the sustainability performance of our business and the industry.
- Apply #SustainableThinking to our everyday business decisions and actions

OUR CORE VALUES

Our business is built on a foundation of three core values:

A FAMILY culture:
putting our
stakeholders and
employees first

#familyculture

**SUSTAINABLE
THINKING** for
business: leading
responsibly

#sustainablethinking

**Driven by
INNOVATION:** always
looking forward

#innovation

A FAMILY CULTURE

As a multigenerational family business with 75 years of history, a strong family-oriented culture has always been fundamental to our success. We recognise that our people are our most valuable asset, and we believe the long-term health and prosperity of our business are intrinsically linked to the wellbeing of those who work with us.

At Vaculug, the wellbeing of our team remains a priority. Each year, we take time to recognise and celebrate our people and the milestones that matter to them. Over the past year, this has included acknowledging long-serving colleagues, retirements, milestone birthdays and key moments throughout the year. These occasions help reinforce a positive, inclusive and supportive working environment that promotes health, safety and a strong sense of belonging.

We also actively encourage employee involvement in community-focused initiatives. Throughout the year, our teams support and volunteer with local charities and projects that aim to strengthen and improve the communities in which we operate.

Our family values are the driving force behind the vital work that we do through our Vaculug Foundation.

The initiatives supported by the Foundation are fundamental to our purpose as a business, reflecting our commitment to improving quality of life in the communities around us. This focus continues to guide and inspire us as we work to build a responsible and prosperous business for generations to come.



SUSTAINABLE THINKING INSIGHT

THE POWER OF PURPOSE TO DRIVE EMPLOYEE ENGAGEMENT

A study by Gallup revealed that **purpose was the number one driver for employee engagement**.

According to another study conducted by Great Places to Work (GPTW) in 2023, great workplaces inspire, engage and retain their employees through purpose.

The GPTW study revealed there are many benefits that companies gain from fostering a purpose-driven work culture for employees, including:

- They are less likely to lose top talent.
- They are more likely to attract talent through referrals from employees.
- They are more likely to gain a competitive advantage and outperform their competitors.

Source: <https://www.gallup.com/workplace/285674/improve-employee-engagement-workplace.aspx#ite-357473>, accessed February 2026.

A RESPONSIBLE APPROACH TO BUSINESS

At Vaculug, being a responsible business means doing the right thing for our people, the communities around us, and the planet. Over the past year, we have continued to refine our day-to-day operations, seeking to reduce our environmental impact while strengthening the positive contribution we make beyond our own business.

In line with our vision to create a better world for future generations, we remain focused on future-proofing our business by investing first and foremost in our people. Through education, training and wellbeing initiatives, we continue to develop the skills, systems and processes needed to support long-term resilience. Responsible business also means promoting safety, capability and best practice across our operations and the wider sector, including engagement with partners, regulators and apprentices to support awareness, learning and continuous improvement.

Collaboration remains central to our approach. By working closely with our stakeholders, both internally and externally, we remain committed

to building a responsible business that delivers shared value for future generations.

Retreading sits at the heart of our responsible business model. Built on the principles of reducing, reusing and recycling, our operations are circular by nature and play a key role in minimising waste and resource use across the tyre lifecycle. To strengthen this commitment, in 2022 we formalised a sustainability strategy aligned with the United Nations Sustainable Development Goals (SDGs), providing a structured framework to guide our priorities and actions. In 2025, this approach was further reinforced through our achievement of B Corp Certification, providing independent validation of our commitment to high standards of social and environmental performance, accountability and transparency. During the year, we also strengthened internal governance through the appointment of a dedicated Head of Sustainability, supporting clearer ownership, accountability and long-term oversight of our sustainability agenda.

As part of our environmental responsibility, we remain committed to progressing towards carbon neutrality. Our long-term emissions reduction targets have been validated by the Science Based Targets initiative (SBTi), confirming their alignment with

climate science and reinforcing the credibility of our approach.

We also recognise the importance of responsible industry practice and compliance. In 2023, we joined the Tyre Recovery Association (TRA), reinforcing our commitment to the ethical, legal and environmentally responsible management of end-of-life tyres across our operations.

Guided by our Sustainable Thinking approach, we continue to look beyond compliance, seeking opportunities to improve our own performance while contributing to wider industry progress through collaboration, shared learning and leadership by example.

DRIVEN BY INNOVATION

Since our inception, innovation has always been at the heart of our company's approach to business. Over the past 75 years, we have built our business on a foundation of innovation, experimentation and creative ingenuity. We are proud to have imagined and engineered many industry firsts, such as our A-Rated tyre, the world's first A-Rated retread verified as having a lower coefficient of rolling resistance, and our 5-rib PROTEKT+ dual sidewall protection system, an innovative solution that provides enhanced defence against kerbing damage and extends the longevity of the tyre.

Over the past year, our focus on innovation has continued to evolve from concept to delivery. Alongside our ongoing product and process development, we have progressed the use of digital tools and data-driven systems to strengthen operational visibility, fleet management and decision-making. These developments build on our longer-term ambition to leverage advanced technologies, including AI-enabled systems, to continuously improve efficiency, quality and customer outcomes.

We have also continued to invest in advanced manufacturing capabilities and specialist operational infrastructure, supporting both service excellence and the adoption of greener, more circular practices. In parallel, our R&D efforts remain focused on exploring and integrating renewable raw materials into our products, renewable fuels within our operations, and further energy efficiencies across our manufacturing processes.

Driven by a growth mindset that focuses on solutions, and an entrepreneurial spirit inspired by our leadership, we view every challenge as an opportunity. Under our innovation-driven approach, our manufacturing experts are encouraged and empowered to push boundaries and pioneer more sustainable manufacturing practices. At every stage of our operations, sustainable thinking is applied to uncover new opportunities and deliver innovative solutions for our customers.

Sustainable thinking begins with our leadership and is woven into our DNA. It informs our day-to-day business decisions and motivates us to continually enhance our processes, products and services in response to a rapidly evolving operating environment.

These are our Vaculug core values.

Guided by our core values of family, a responsible approach to business and innovation, we take a holistic approach that integrates sustainability across all areas of our organisation. As we continue on our journey of sustainable transformation, we remain committed to living these values and engaging our stakeholders every step of the way.









6

RETREADING REDEFINED: CIRCULAR & RENEWABLE PRACTICES

At Vaculug, we recognise that the manufacturing and transportation sectors are inherently carbon intensive. This awareness continues to drive us to intensify our decarbonisation efforts across our organisation and industry, while actively collaborating and investing in initiatives that will enable us to achieve carbon neutrality by 2030. To reach this ambition, it is essential that we establish a clear and shared understanding of the terminology, goals and rationale that underpin our strategy, and importantly, why they matter. As defined by the European Parliament, carbon neutrality means achieving a balance between emitting carbon and absorbing carbon from the atmosphere through carbon sinks. Removing carbon dioxide from the atmosphere and storing it is known as carbon sequestration.¹

For Vaculug, carbon neutrality by 2030 represents our commitment to significantly reducing our emissions and responsibly addressing any residual emissions through credible carbon removal or offsetting mechanisms.

While it is crucial for us to focus on decarbonising our business and work towards 2030 carbon targets, it is equally important to understand where we stand collectively on the global pathway. Numbers show 107 countries had adopted net-zero pledges, and more than 9,000 companies had joined the Race to Zero campaign, committing to science-aligned emissions reduction targets². However, despite the growing number of commitments from governments and businesses, progress remains insufficient. The United Nations continues to warn that the world is not currently on track to limit global warming to 1.5°C by 2030, with existing commitments falling short of what is required.

The urgency of this challenge has only intensified. Global carbon emissions from fossil fuels once again reached a record high in 2025, totalling 38.1 billion tonnes, up from 37.4 in 2024. This rise in emissions has contributed to further warming with the World Meteorological Organization (WMO) confirming that the past three years, 2023, 2024 and 2025, are now recognised as the three warmest years across all eight major global datasets. The consolidated three-year average temperature for 2023–2025 stands at

1.48°C (±0.13°C) above pre-industrial levels, edging dangerously close to breaching the 1.5°C threshold on a sustained basis⁴.

According to Climate Watch and the World Resources Institute's latest analysis of greenhouse gas emissions by sector, the five largest contributors to global GHG emissions remain energy, agriculture, industrial processes, waste, and land use change and forestry. These sectors account for the majority of global emissions and reinforce the scale of transformation required across industries including transport and manufacturing. (see Figure 1)

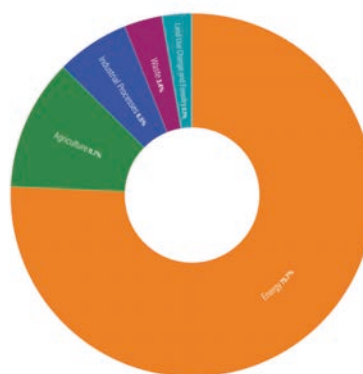


Figure 1: Global greenhouse gas emissions by sector and end use, 2023

Source: <https://www.wri.org/insights/4-charts-explain-greenhouse-gas-emissions-countries-and-sectors>

For its part, the industry sector in the UK, which includes emissions from fuel combustion at industrial sites, industrial processes and certain uses of F-gases such as refrigeration systems, was responsible for approximately 14% of total UK greenhouse gas emissions in 2023. Carbon dioxide accounted for the vast majority of these emissions. Encouragingly, progress has continued. Between 2022 and 2023, industry emissions decreased by a further 2%. More significantly, emissions from the UK industry sector in 2023 were 66% lower than in 1990 levels. Over this period, substantial reductions have been achieved through improvements in industrial processes, fuel combustion efficiency and structural shifts within the sector⁵.

¹ Source: <https://www.europarl.europa.eu/topics/en/article/20190926STO62270/what-is-carbon-neutrality-and-how-can-it-be-achieved-by-2050>, accessed February 2026

² Source: <https://www.un.org/en/climatechange/net-zero-coalition>, accessed February 2026

³ Source: ESSDD - Global Carbon Budget 2025, accessed February 2026

⁴ Source: <https://wmo.int/news/media-centre/wmo-confirms-2025-was-one-of-warmest-years-record>, accessed February 2026

⁵ Source <https://assets.publishing.service.gov.uk/media/67a30e4f7da1f1ac64e5feb1/2023-final-greenhouse-gas-emissions-statistical-release.pdf#:~:text=In%202023%2C%2029%25%20of%20net%20greenhouse%20gas,from%20agriculture%2C%20and%2011%25%20from%20electricity%20supp>, accessed February 2026

Despite these improvements, and despite growing efforts globally to reduce greenhouse gas emissions, it is evident that more must be done. If the world is to meet the climate targets set for this decade, accelerated action is required at all levels — from governments and policymakers to industries and individual businesses.

Importantly, increased collaboration between these actors will be essential to drive meaningful and sustained emissions reductions. Only through coordinated efforts, shared responsibility and collective ambition can global decarbonisation efforts be advanced at the pace required.

INVESTING IN A GREEN INDUSTRIAL REVOLUTION

At the UN Conference of the Parties (COP29), which took place in Baku, Azerbaijan, in November 2024, UK Prime Minister Sir Keir Starmer announced a strengthened climate change target aimed at positioning the UK as a global leader in decarbonisation efforts. During the global summit, the Prime Minister confirmed that the UK will now aim for an 81% cut in emissions by 2035, extending beyond the 78% target set by the previous administration⁶. With this updated target in place, the UK reaffirmed its ambition to lead international decarbonisation efforts.

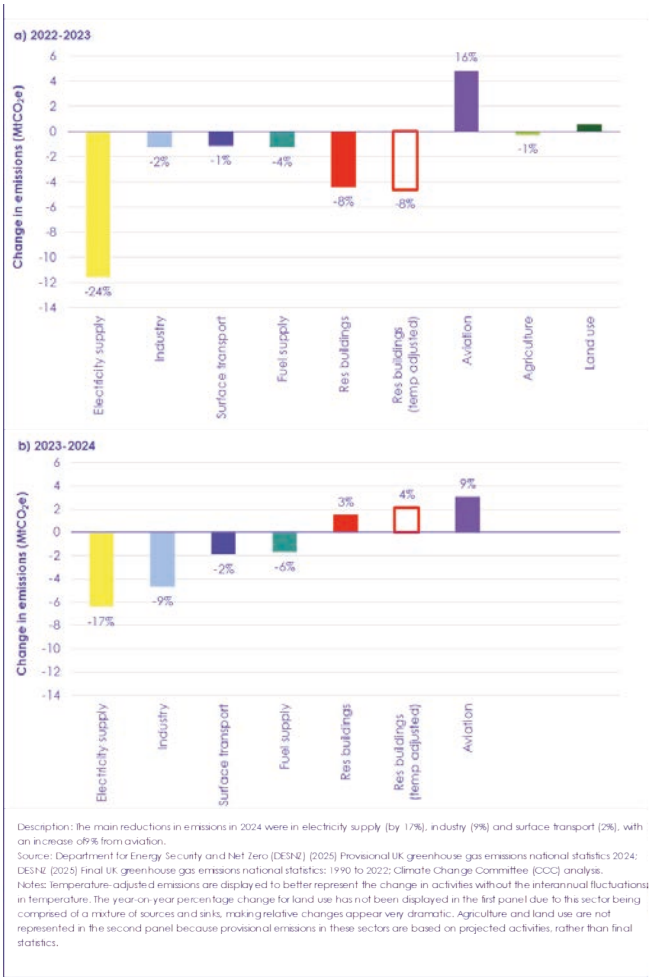
The UK’s emissions reduction target aligns with its broader legal commitment to achieve net-zero emissions by 2050 under the Paris Agreement. To support this ambition, the government has outlined continued investment in renewable energy and clean technologies, emphasising that the transition to a low-carbon economy will support job creation and long-term economic growth.

In its Progress in Reducing Emissions: 2025 Report to Parliament, the Climate Change Committee reported that UK territorial emissions in 2024 were provisionally estimated at 413.7 MtCO₂e, representing a 2.5% reduction from 2023 and 50.4% below 1990 levels. This marks the tenth consecutive year of sustained emissions reductions, excluding the pandemic years.

While reduction rates slowed compared to some previous results, partially due to increases in some areas, performance in key sectors remained encouraging. The electricity supply sector once again recorded the largest decrease in emissions, falling by 17% between 2023 and 2024 (see Figure

2). The second largest reduction occurred in the industry sector, where emissions declined by 9%. The reduction in the industry sector was partly driven by the removal of blast furnaces at Port Talbot steelworks in 2024, and a general shift since 2008 high-emissions-intensive to lower-emissions-intensive industry.

Figure 2: Change in UK emissions for key sectors (2021 to 2022 and 2022 to 2023)



Despite the progress achieved, the Committee acknowledges that more needs to be done for the UK to meet its 2030 emissions targets and remain aligned with its carbon budgets. Since 2008, emissions from sectors other than energy supply have fallen by an average of 8 MtCO₂e per year. This pace will need to more than double towards the end of this decade, with the CBDP requiring the average annual reduction to increase to 19 MtCO₂e to reach the targets set.

PIONEERS OF SUSTAINABILITY SINCE 1950



At **Vaculug**, we are strongly committed to become carbon neutral by 2030. This means that greenhouse gasses produced by our activities will be balanced by the amount removed from the atmosphere. By doing this, we recognise the importance of becoming more ecological every day.

The report further indicates that, while progress in industry has accelerated in the past year, sustained decarbonisation will require continued structural transformation, including electrification, low-carbon technology deployment and long-term investment frameworks. Given the scale of reductions required over the remainder of the decade, increased investment and policy support for low-carbon technologies and industrial transition will be essential.

Guided by our sustainable thinking approach, we remain determined in our commitment to advancing sustainable transformation across our organisation and contributing to a green industrial transition within our sector.

We are equally committed to supporting this transformation across SMEs within our industry. This means not only contributing to global sustainability objectives, but also advocating for fair recognition, appropriate policy support and access to the resources our sector requires to accelerate meaningful change.

While we fully support global ambitions to invest in a green industrial revolution, as a sustainability-driven SME and industry leader we recognise our responsibility to champion greater awareness and support for the re-manufacturing sector in particular. Retreading and re-manufacturing play a critical role in advancing circular economy principles and reducing resource intensity across supply chains.

Although manufacturing and industrial activities account for a significant share of national greenhouse gas emissions, the sector remains a fundamental pillar of the UK economy. Data from 2022 shows that the UK manufacturing sector employs approximately 2.6 million people and generates close to £184 billion in economic output, contributing around 8% of national GDP and 7% of employment in the UK. Ensuring a just and well-supported transition for this sector is therefore essential, both for climate progress and long-term economic resilience⁷.

INDUSTRY 5.0: THE INTERSECTION OF DIGITAL AND SUSTAINABLE TRANSFORMATION

While investment in a green industrial revolution will undoubtedly help place us on the pathway toward achieving carbon neutrality, the key challenge remains whether we can deliver this transition at the pace required. Alongside this transformation, we are entering the era of Industry 5.0, the next phase of industrial evolution, which places greater emphasis on the integration of digitalisation, human-centric innovation and sustainability into core business models.

Industry 5.0 highlights the role of advanced technologies in enabling more resilient, efficient and responsible systems, with organisations increasingly embedding environmental, social and governance (ESG) considerations into strategic decision-making⁸. The integration of technologies such as artificial intelligence and advanced data analytics presents significant opportunities to enhance operational efficiency, reduce resource intensity and support long-term sustainable growth.

Guided by our core values and sustainable thinking approach and working in close collaboration with our customers and partners, we continue to position ourselves at the forefront of this transition. Over the past years, we have further invested in the development of innovative technologies that leverage AI, including the creation of Zeus in 2024, our new optimised production system, which is explored in more detail in Section 11 of this report.

At Vaculug, we remain proud of our continued commitment to building a future-ready, responsible and prosperous business. Through sustained innovation and investment, we are contributing to the green industrial transition while supporting the development of a forward-looking economy and skilled job market.

⁷ Source: <https://www.oxfordeconomics.com/resource/the-true-impact-of-uk-manufacturing/>, accessed February 2026.

⁸ Source: 18_WP_Comparative-Emissions_final.pdf, accessed March 2026

REDEFINING OUR APPROACH TO BUSINESS

According to the Intergovernmental Panel on Climate Change (IPCC), human activities are unequivocally driving the rise in global temperatures as a result of increased greenhouse gas emissions. The scientific consensus is clear: without urgent and sustained action to reduce emissions, limiting global warming to 1.5°C above pre-industrial levels within this century will not be achievable⁹.

The need for governments, industries and organisations to accelerate decarbonisation efforts has therefore never been more pressing. While many nations and businesses have set ambitious climate targets, progress remains uneven and commitments alone are no longer sufficient. To address the scale of the global challenges before us, companies of all sizes must fundamentally rethink and redefine their approach to business.

We recognise that we operate within a carbon-intensive sector. Transport continues to account for roughly a quarter of global greenhouse gas emissions, underscoring the responsibility our industry carries¹⁰. If global climate targets are to be met, accelerated action across transport and

manufacturing will be essential. The traditional models that shaped industrial growth over the past century are no longer compatible with the demands of a low-carbon future. For businesses to remain resilient and competitive, bold and timely transformation is required.

As Europe's largest independent rereader, we are prepared to play our part in contributing to global climate ambitions. At the same time, we acknowledge that systemic change cannot be delivered by individual organisations alone. SMEs represent 99% of all businesses across the EU, and while the impact of any single company may appear modest, collective action across the SME community has the power to drive significant progress toward the Sustainable Development Goals¹¹.

At Vaculug, we remain committed to elevating sustainability standards across our industry. We will continue to foster collaboration, encourage the exchange of knowledge and best practices, and embed sustainable thinking throughout our operations and partnerships.

Despite the challenges ahead, we remain optimistic about the opportunities for innovation and growth. We are operating in what is increasingly described as a Green Industrial Revolution a period in



⁹ Source IPCC_AR6_SYR_LongerReport.pdf, accessed March 2026

¹⁰ Source https://www.un.org/sites/un2.un.org/files/media_gstc/FACT_SHEET_Climate_Change.pdf, accessed February 2026

¹¹ Source SME definition - Internal Market, Industry, Entrepreneurship and SMEs, accessed February 2026

which economic development and environmental responsibility are no longer viewed as competing priorities, but as interconnected drivers of long-term prosperity. We fully embrace this transition and remain dedicated to helping lead our industry toward a more sustainable future¹².

A CIRCULAR BUSINESS MODEL

The retreading business model is, by definition, circular. A circular business model represents an economic and operational approach that seeks to decouple growth from the consumption of finite resources. It is grounded in the principle of sustainability meeting present needs without compromising the ability of future generations to meet their own. By reducing resource extraction, extending product life and minimising waste across the production and life cycle of a product, circular models directly support the UN Sustainable Development Goals, particularly SDG 8 (Decent Work and Economic Growth) and SDG 12 (Responsible Consumption and Production)¹³.

At Vaculug, we recognise that we operate within a carbon-intensive industry. That being said, our retreading model is inherently circular and therefore fundamentally aligned with the principles of resource efficiency and emissions reduction.

Retreading significantly reduces the need for virgin raw materials, diverts tyres from landfill and lowers the carbon intensity associated with new tyre production. Recent analysis from The Society of Motor Manufacturers and Traders (SMMT) highlights the measurable environmental benefits of remanufacturing activities within the automotive sector. According to the SMMT's Powering Circular Growth (2025) report, remanufactured components can deliver material savings of up to 88%, reduce greenhouse gas emissions by approximately 53%, and require around 56% less energy compared to manufacturing new equivalents. Across Europe, remanufacturing activities are estimated to avoid approximately 807,000 tonnes of CO₂ emissions annually, equivalent to around 6% of total car manufacturing emissions¹⁴.

These findings reinforce the environmental value of circular industrial practices such as tyre retreading. In addition to reducing emissions and material consumption, the sector also contributes to economic resilience. The wider UK automotive aftermarket generated £17.1 billion in economic output in 2023, demonstrating strong demand for repair, reuse and remanufacturing services¹⁴.

The UK government recognises the role that circular practices, including retreading, can play in supporting national decarbonisation goals. However, industry bodies such as the British Tyre Manufacturers' Association (BTMA) continue to highlight the need for further policy support to accelerate adoption and strengthen the sector¹⁵. Key areas identified include:

- Increased use of retreaded tyres in place of new tyres
- Greater uptake of longer-lived tyres designed for multiple retread cycles
- Improved in-service tyre care to ensure a consistent supply of high-quality casings suitable for retreading

As a business built upon a circular foundation, we consider the environmental and social impact of our operations at the very beginning of the production cycle, not as an afterthought. This commitment is embedded within our sustainable thinking approach to research and development, our manufacturing processes and our fleet management systems.

From material sourcing and compound development to extending tyre life and enabling multiple retread cycles, we continuously evaluate how materials can be responsibly sourced, reused and re-purposed. As we move forward, we will continue to expand our circular approach, identifying further opportunities across our organisation and throughout our value chain where resource efficiency, waste reduction and emissions avoidance can be strengthened.

¹² Source Home of the Green Industrial Revolution, accessed March 2026

¹³ Source <https://sdgs.un.org/goals>, accessed February 2026

¹⁴ Source <https://smmtweb.lon1.cdn.digitaloceanspaces.com/wp-content/uploads/2025/10/SMMT-Powering-Circular-Growth-Remanufacturing-report.pdf> accessed February 2026

¹⁵ Source <https://btmauk.com/policy-positions/> accessed February 2026

TRANSITION TOWARDS RENEWABLE RESOURCES

Our business is founded on a circular model that continues to develop as new technologies and innovations emerge, strengthening sustainability performance across our operations and within the wider sector. As part of this ongoing evolution, we are exploring alternative pathways to source renewable inputs that carry a lower carbon footprint and reduced environmental impact. Sustainable sourcing refers to the responsible procurement of raw materials in ways that support environmental protection, social responsibility and long-term economic resilience.

Responsible sourcing of raw materials is not only an environmental priority, but also a strategic business consideration. By safeguarding resources and reducing exposure to environmental and supply-chain risks, sustainable sourcing supports long-term economic value creation. Manufacturers that integrate responsible sourcing practices can lower their environmental footprint through reduced waste and energy use, while also responding to increasing demand for more sustainable products and services.

Alongside the broader transition towards renewable resources and decarbonisation pathways, recent analysis by McKinsey & Company highlights the importance of a parallel “materials transition”¹⁶. This concept brings together sustainable material sourcing with circular economy models that prioritise the responsible use, reuse and recovery of materials. When combined, the transition to lower-impact materials and circular business practices can support and accelerate wider decarbonisation objectives.

Over the past year, Vaculug has continued to direct its R&D capabilities towards evaluating renewable and lower-impact material options that can help reduce our environmental footprint while maintaining our standards of quality, safety and manufacturing performance.

Guided by a culture of innovation, we assessed opportunities to improve sustainability performance across our value chain, from raw material sourcing

and production processes to logistics and the responsible recovery of products at the end of their useful life. This whole-system perspective remains central to how we approach continuous improvement in sustainability.

We continued advanced work on alternative material inputs, including trials of silica derived from agricultural by-products such as rice husks, with the aim of reducing the environmental impact associated with conventional rubber compounds. We have started introducing this silica into our rubber compounds as we strive for more sustainable practices.

In parallel, we transitioned our fleet towards lower-carbon fuel options, including the conversion to hybrid vehicles across our light fleet. As fleet activities represent a significant share of our Scope 1 emissions, the progressive adoption of alternative fuels and lower-emission vehicle technologies remains an important lever in reducing the carbon intensity of our logistics activities over time.

Our sustainability-led approach continues to shape how we assess renewable inputs and operational improvements. Looking ahead, we will maintain a structured and evidence-based approach to exploring renewable and circular solutions as part of our broader ambition to operate as a more responsible and resilient business. Combined with our circular business model, this approach supports progress towards the longer-term objectives we have set for the decade ahead.

ENVIRONMENTAL BENEFITS

Beyond extending product life, retreading plays an important role in preventing waste, often doubling or even tripling the life-span of each single tyre . By recovering and reusing viable casings, the practice reduces the number of tyres entering landfill and helps mitigate the environmental and safety risks associated with improper disposal in both urban and rural environments.

¹⁶ Source <https://www.mckinsey.com/capabilities/sustainability/our-insights/how-a-materials-transition-can-support-the-net-zero-agenda#/>, accessed February 2026

At Vaculug, responsible end-of-life management remains a core part of our circular approach. When tyres can no longer be retreaded, they are directed to trusted recycling, reprocessing and repurposing partners, including our long-standing partner Murfitt Industries. Through these collaborations, end-of-life tyres are transformed into secondary products such as rubber surfacing for playgrounds, sports facilities and other infrastructure applications, ensuring materials remain in productive use wherever possible.

Between our retreading and recycling efforts, we are proudly committed to being a zero-landfill business.

AVOIDED EMISSIONS

In addition to the direct environmental benefits of extending product life, the retreading industry also contributes to emissions that are avoided altogether through its circular manufacturing model. As the sector continues to strengthen its contribution to decarbonisation, we believe greater recognition should be given to the emissions avoided as a result of retreading activities.

Avoided emissions, sometimes referred to as Scope 4 emissions, describe the positive climate impact that occurs when a product or service reduces greenhouse gas emissions compared to a conventional alternative. In the case of tyre retreading, each retreaded tyre that re-enters circulation effectively displaces the need for a newly manufactured, higher-carbon alternative.

On average, every truck or bus tyre retreaded in the UK saves approximately 30kg of rubber, up to 20kg of steel and 60kgs of compared to producing a new tyre. In 2025, Vaculug processed more than 261 000 tyres, resulting in substantial material savings and avoided emissions across our operations. The cumulative impact of these avoided raw materials and carbon

emissions underscores the measurable environmental value of circular manufacturing at scale.

“No doubt tyre manufacturing, including the retreading sector, is a carbon intensive industry. At the same time, with every tyre that is retreaded in place of a new tyre, a significant amount of CO₂ is not being produced or emitted into the atmosphere. Currently the impact of avoided emissions on the part of the industry is not being considered by industry regulators, and it’s one I believe the industry should be credited for going forward.”

Haarjeev Kandhari, Vaculug Chairman

According to the World Business Council for Sustainable Development (WBCSD), avoided emissions can provide valuable insights to inform climate-aligned decision-making, stimulate innovation, and clarify the role organisations play in the transition to a low-carbon economy. Through its updated Climate Avoided Emissions Guidance, published in 2025, the WBCSD provides a structured framework to support both companies and investors in assessing, reporting, and leveraging avoided emissions in a transparent and credible manner, while contributing to a just and orderly transition towards net zero¹⁷.

The guidance outlines specific levers for companies, including driving innovation, enabling the scaling of climate solutions, and strengthening accountability through transparent reporting, as well as levers for investors, such as capital allocation, portfolio alignment, and engagement strategies that accelerate climate-positive solutions (see Figure 3). At Vaculug, we continue to integrate these principles into our decarbonisation pathway, ensuring that our approach to avoided emissions supports our broader strategy and long-term sustainability commitments.

Reducing carbon emissions will continue to be central to companies’ efforts to achieve environmental targets, however emissions reduction is not the only lever available. In addition to lowering their own operational footprint, organisations can also contribute to global decarbonisation by

¹⁷ Source <https://www.wbcsd.org/resources/guidance-on-avoided-emissions-helping-business-drive-innovations-and-scale-solutions-toward-net-zero/>, accessed February 2026

How companies can leverage AE

Innovate and scale up: Transform business models to deliver innovative climate change solutions and scale up solutions.

Mobilize resources: Identify profitable opportunities aligned with Net Zero goals and access capital from financial actors using these metrics to inform their investment decisions.

Engage with systems actors: Report AE to demonstrate climate-aligned values to investors, customers and employees, which can drive collaborative efforts towards Net Zero goals.

How Teams can leverage AE

R&D can use AE insights in stage-gate processes and product development decisions.

Procurement can use AE as a metric to select lower-emission suppliers and solutions, and capture system-change opportunities in sourcing decisions.

Finance and Investor Relations can use a new solution’s AE to raise capital through sustainability-linked loans, green bonds, in consolidated entity-level finance strategy.

Marketing and Communications teams can incorporate AE in the company narrative to showcase the sustainability.

How investors can leverage AE

Measuring private actors’ contributions to decarbonization. A new, forward-looking metric like AE can help meaningfully evaluate an investment’s contribution to Net Zero targets and pathways.

Integrating AE into the investment process. Investors can use AE in the screening and due diligence phase to identify an investee’s decarbonizing potential, assess their commitment to Net Zero and anticipate regulatory or business risks related to climate.

Using AE to steer engagement and stewardship. An AE metric can start a conversation and help financial actors guide companies towards decarbonization and scaling up climate solutions.

Figure 3: Table based on insights from Climate Avoided Emissions Guidance, WBCSD, 2025

developing and scaling products and services that enable emissions to be avoided when compared to conventional alternatives. Avoided emissions therefore represent a complementary pathway through which companies can support the transition to a low-carbon economy.

In recent years, guidance on how to assess and report avoided emissions has evolved. While avoided emissions remain separate from Scope 1, 2 and 3 inventories and are not yet embedded within mainstream mandatory reporting frameworks, structured methodologies are now available. The updated Climate Avoided Emissions Guidance published by the World Business

Council for Sustainable Development (WBCSD) provides a framework to support companies and investors in quantifying avoided emissions in a transparent, comparable and credible manner. However, disclosure platforms such as CDP do not currently incorporate avoided emissions within standard emissions inventories, except in limited circumstances such as carbon credit claims.

Interest in avoided emissions continues to grow, with many organisations seeking to better understand and communicate the broader climate contribution of their products and services. As methodologies mature, transparency and robust assumptions remain critical to ensuring credibility and avoiding the

²⁵ Source: <https://ghgprotocol.org/blog/do-we-need-standard-calculate-%E2%80%9Cavoided-emissions%E2%80%9D>

²⁶ Source: <https://btmauk.com/policy-positions/truck-tyre-retreading/>, accessed February 2024.

²⁷ Source: <https://btmauk.com/tyres-and-the-environment/resource-efficiency/#1589453319635-7478031e-1ab4>, accessed January 2023.

²⁸ Source: <https://btmauk.com/retreading/>, accessed January 2023.

risk of overstated claims.

Although we have made meaningful progress in reducing our direct operational emissions, we recognise that achieving our carbon targets by 2030 requires sustained effort and continuous improvement. By working collaboratively with our stakeholders and aligning our approach with evolving best practice, we are confident that we remain on track to deliver against the goals set out in our strategy.

ECONOMIC BENEFITS

Beyond its environmental advantages, the retreading sector also delivers substantial economic value. It supports stable and fairly compensated employment opportunities across the industry. According to the British Tyre Manufacturers' Association, the retread sector sustains approximately 5,500 jobs across the region¹⁸.

In addition, when compared to new tyres, retreaded tyres offer considerable cost efficiencies.

On average, a retreaded tyre costs around 40% less than a new equivalent.

The British Tyre Manufacturers' Association (BTMA) also highlights that up to 85% of the original tyre is reused in the retreading process, enhancing resource efficiency and strengthening supply resilience¹⁹. In practical terms, reduced demand for new raw materials directly translates into lower production costs. At a time when the cost of living continues to rise, these savings are increasingly meaningful. At Vaculug, we recognise that every improvement in operational efficiency enables us to deliver sustained financial value to our customers.

Furthermore, Vaculug's premium retreaded truck tyres offer a total life expectancy of over 375,000 miles – the equivalent of 15 trips around the world²⁸.

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¹⁸ Source <https://btmauk.com/policy-positions/truck-tyre-retreading/> accessed February 2026

¹⁹ Source Circular economy - The British Tyre Manufacturers' Association (BTMA), accessed February 2026

SUPPORTING OUR CLIENTS WITH THEIR CARBON REDUCTION COMMITMENTS



At **Vaculug**, we are strongly committed to become carbon neutral by 2030. This means that greenhouse gasses produced by our activities will be balanced by the amount removed from the atmosphere. By doing this, we recognise the importance of becoming more ecological every day.







7

TAKING CARE OF OUR FAMILY



We believe that our people are our greatest asset. Every decision we make reflects our commitment to protecting the health, safety and well-being of our Vaculug family. As a multi-generational family business guided by strong values, we continue to foster an inclusive culture built on respect, fairness and shared purpose.

We remain dedicated to investing in our team to help them reach their full potential. We believe education and continuous learning are powerful drivers of

positive change — within our business and in the communities we serve.

Our commitment to supporting our people's development is closely aligned with our culture of innovation and our pursuit of operational excellence.

OUR HR POLICIES

We are committed to delivering the highest quality products and services across our organisation, and this begins with maintaining robust and transparent hiring and recruitment practices, as outlined in our internal “Hiring & Recruitment” policy.

Prior to joining our team, all candidates undergo a structured selection process aligned with our Quality Standards, where they are assessed against clearly defined criteria. Throughout this process, we ensure that prospective employees, including those transitioning into new roles within the company, have a clear understanding of their responsibilities and expectations.

Guided by our core family values, it is our belief that everyone deserves to be treated with respect. We also believe everyone should be fairly compensated for their work and contribution to the growth of the organisation.

In 2025, once more all employees received a company-wide salary increase of 5%. We remain proud to provide fair wages across our organisation..

HIRING AND RECRUITING

We are committed to building a responsible and future-focused business by investing in our people. Our recruitment approach is centred on fairness, capability and potential, ensuring the best candidate is selected for each role, irrespective of gender, race, religion, ethnicity, age, disability or sexual orientation. These principles are embedded within our internal Recruitment & Selection framework and guide our hiring decisions across the organisation.

In line with our continued investment in the professional development of our people, 2025 has seen several significant appointments and promotions across our organisation.

After five years with the business, Mark Holloway was appointed as Head of Sustainability, in addition to his role as Business Process & Excellence Manager. Mark has played a key role in embedding structured process improvements across Vaculug, and his

expanded remit further strengthens accountability as we advance our long-term sustainability ambitions.

“We are excited to appoint Mark as our Head of Sustainability and Compliance. His strategic mindset and proven track record in improving business processes make him the ideal candidate to lead our sustainability efforts. This new role will help Vaculug further its commitment to being an environmentally responsible company while ensuring we continue to meet and exceed industry standards for compliance.”

Jorge Crespo, Managing Director, Vaculug

Following a period of substantial growth, Marcus Kirkness was promoted to National Operations Manager. Marcus has been a key member of the Vaculug team for the past five years, bringing with him over three decades of industry experience. His leadership, operational expertise and customer-focused mindset will play a central role in guiding our expanding operations and delivering service excellence across our network.

“Promoting Marcus to the role of National Operations Manager is a testament to his dedication and competence. We have no doubt that he will thrive in this new position and continue to inspire the team and lead them during this time of considerable growth. Marcus’s experience and ability will aid our efforts of delivering service excellence to our customers”.

Michael Evans, Operations Director, Vaculug

“This is an exciting time in my career, Vaculug has had substantial growth over the last few years, in what has been a volatile period for our industry with rising costs. Delivering on our promise to our customers is something that I’m passionate about. I will use my years of experience servicing fleets to drive continued improvement within Vaculug, creating a platform where we create unity and solidarity with both our customers and service providers, as this will be fundamental to our success”.

Marcus Kirkness, National Operations Manager

Within our growing OTR Division, Alan Robin was promoted to Head of OTR. With more than 20 years of experience in the earthmover industry and six years at Vaculug, Alan's expertise and commitment position him strongly to lead further investment and development within this expanding division.

"Alan's appointment as Head of OTR reflects his commitment and proven expertise. We are confident he will excel in this new role, continuing to motivate the team and lead with strength during this exciting phase of expansion. This year, Alan will spearhead significant investment across the OTR division, and his leadership will be instrumental in enhancing our service delivery and exceeding customer expectations."

Michael Evans, Operations Director, Vaculug

Adding to the OTR, Robert Baxter was promoted to Head of Operations and OTR Scotland, bringing over four decades of industry experience to the role and strengthening our operational leadership across the region.

"Bob's promotion to Head of Operations and OTR is a true reflection of his dedication, expertise and strong leadership. We are confident he will continue to thrive in this expanded role, inspiring and guiding our teams across Scotland through this exciting phase of growth. His exceptional work ethic and deep industry knowledge will be vital in driving our commitment to service excellence for our customers."

Michael Evans, Operations Director, Vaculug

Supporting this regional growth, Scott McIntosh joined as Regional Operations Manager for Scotland

"We are thrilled to welcome Scott to the team during this pivotal time for our operations in Scotland. His appointment as Regional Operations Manager reflects our commitment to strengthening our presence and service delivery across the region. Scott brings a wealth of experience and a results-driven approach that aligns perfectly with Vaculug's strategic vision for growth. I'm confident he will play

a key role in helping us achieve our ambitions in Scotland and further enhance the support we provide to our customers."

Marcus Kirkness, National Operations Manager, Vaculug

while Darren Clark was appointed Regional Operations Manager for the West, overseeing key operational areas including Manchester, Birmingham and Wales. Both bring extensive industry knowledge and practical expertise that will further enhance our operational resilience and customer support capability.

"These are truly exciting times at Vaculug. We're incredibly pleased to have Darren join our team. His knowledge of the tyre industry, combined with his experience in managing customer fleets and delivering top-tier customer service, will be instrumental as we continue to expand our customer base. Darren's expertise ensures we remain agile in addressing challenges and fulfilling our commitments swiftly and effectively."

Marcus Kirkness, National Operations Manager, Vaculug

As part of the continued expansion of our OTR operations, we were also pleased to welcome Nick Hermitage as Operations Manager, OTR South, based at our new Centre of Excellence in the South East. Bringing over 22 years of industry experience, Nick oversees day-to-day operations including logistics, tyre pressing and foam filling, further strengthening capability within this growing division.

"This is an incredibly exciting time at Vaculug, and we are fortunate to welcome Nick to the OTR team. His extensive experience and deep knowledge of both OTR and solid tyre operations will be instrumental as we build on our significant investments in the division. I am confident Nick will make a strong contribution to our growth, and I wish him every success in his new role."

Alan Robin, Head of OTR, Vaculug



Further reinforcing our internal support functions, we were delighted to be joined in October by Laura Dorca reinforcing the Accounts department as Purchase Ledger Assistant, contributing to the efficiency and robustness of our financial processes as the business continues to scale.

These appointments and developments reflect our commitment to recognising internal talent, rewarding experience and strengthening leadership structures to support Vaculug's continued growth and long-term organisational resilience.

We continue to build on our recognition in 2023 among the Top 100 Mid-sized Best Companies to Work Awards, an achievement that showcased our dedication to fostering a positive working environment and supporting our people at every stage of their career.

We remain incredibly proud of our Vaculug family, whose dedication and professionalism continue to embody our core values every day.



EQUALITY & DIVERSITY

We remain committed to cultivating an inclusive and respectful workplace that values individuals from diverse backgrounds, perspectives and cultures. Our HR policies are designed to promote a safe, supportive and equitable environment across the organisation, reflecting our ongoing commitment to Diversity, Equality and Inclusion (DEI) within our business practices.

To reinforce our dedication to fairness and equal opportunity, we have formalised and communicated our Equal Opportunities Statement, which clearly outlines our non-discriminatory approach to recruitment, career progression and professional development.

In line with our objective of strengthening inclusivity, our hiring procedures incorporate blind application reviews, with names and identifiable details removed to reduce unconscious bias. Since our ownership transition in 2018, we have continued to make deliberate efforts to broaden representation across the business.

SUCCESSION PLANNING

Planning for the future remains a fundamental part of building a sustainable and resilient business. To safeguard the long-term strength of our organisation, we formalised a structured succession plan in 2023, which we have continued to implement and strengthen throughout 2025.

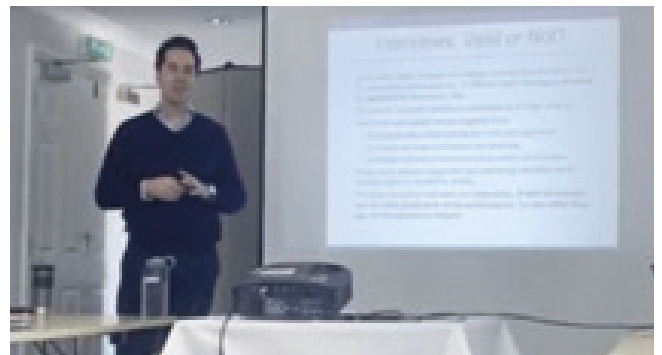
In line with this approach, our Vaculug family has continued to evolve, with new appointments and role developments across multiple areas of the business. This included appointing Mark Holloway as Head of Sustainability, further reinforcing our sustainability leadership following the appointment of Professor Paolo Taticchi as Chief Sustainability Advisor in 2023.

Looking ahead, we remain focused on ensuring that Vaculug is well positioned for long-term success. Investing in the growth and development of our people remains central to this objective.

Building on the insights gained in 2024, when Blaine Landis, Associate Professor of Organisation Behaviour at University College London (UCL), delivered a sustainability and succession planning workshop for our leadership team, we have continued to embed those learnings into our day-to-day operations and strategic decision-making.

Following the initial structured succession planning exercise, which included individual discussions with employees across the organisation, we have further refined and strengthened our approach. Through ongoing reviews of key roles, functions and departmental structures, we are ensuring that our succession framework remains dynamic, forward-looking and aligned with our long-term strategic priorities.

By taking a proactive and structured approach to leadership continuity, we are not only protecting the stability of our business, but also reinforcing the foundations that will support Vaculug's continued growth and resilience in the years ahead.



Blaine Landis, Associate Professor of Organization Behaviour at UCL conducted a sustainability & succession planning workshop with our leadership team in February 2024.





CONTINUOUS EDUCATION

At Vaculug, we continue to nurture a learning culture rooted in curiosity, continuous improvement and a growth-oriented mindset. We recognise the transformative power of education in driving positive change. By investing in the ongoing development of our people, we strengthen the long-term resilience of our business while contributing meaningfully to our communities and the wider environment.

We remain committed to providing our employees with access to continuous learning and professional development opportunities that enhance skills and capabilities across the organisation. Colleagues are encouraged to pursue development pathways that align with both business priorities and their individual career aspirations.

A key way we support our people is through structured professional development initiatives. Over the past two years, we invested in postgraduate education programmes for members of our team at Northumbria University. In 2024, Mike Evans, our Operations and OTR Director, graduated from Saïd Business School at Oxford University with a master's degree in Business Management.

In 2025, we were proud to celebrate the graduation of Jason Humphries and Barrie McPhilbin from Northumbria University, following two and a half years of dedication, commitment and academic achievement. Jason completed his master's in Software Engineering, while Barrie graduated with a master's in Cyber Security. Their accomplishments reflect the determination and growth mindset that we value across our organisation, and we are delighted to see them reach this important milestone.



Jason Humphries and Barrie McPhilbin graduated in 2025 from Northumbria University



Mike Evans graduated from Saïd Business School at Oxford University in 2024.

"Completing my apprenticeship alongside a full-time role and progressing to achieve a Level 7 qualification, Master of Science with Commendation, and the CGA award has been one of the most rewarding challenges of my career. Balancing work, study, and home life required real dedication and resilience, but the journey has been as valuable as the outcome. I'm incredibly grateful to Vaculug for their continued support and investment in my development. Their commitment to developing people not only strengthens individual capability but creates long-term impact building skills, resilience, and expertise that benefit both employees and the wider business for years to come."

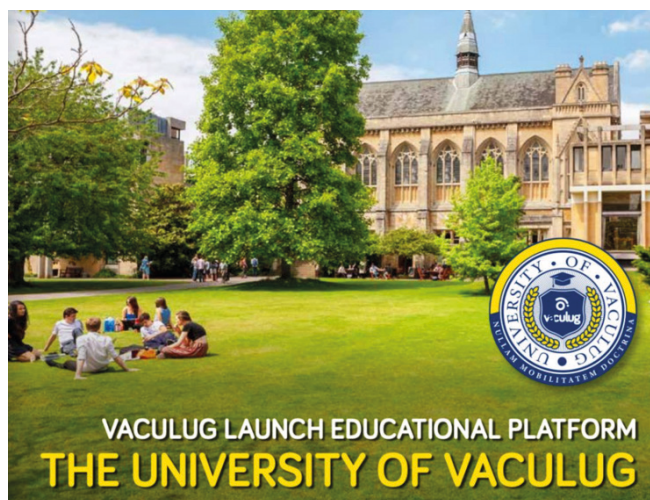
Barrie McPhilbin, Vaculug IT Ops Manager

Vaculug University continues to be a key example of how we invest in and nurture the growth and development of our people.

First introduced in 2021 and spearheaded by our Chairman, Vaculug University offers a series of masterclass-style online sessions featuring globally recognised business leaders and policymakers, including Bill Gates, Tom Tugendhat, Chris Wigley, Mark Carney, Shai Weiss and Amy Gallo. The initiative is designed to broaden perspectives, stimulate critical thinking and strengthen leadership capability across the organisation.

Over the past year, we have continued to enhance and refine the programme to ensure it remains relevant and impactful. In 2024, this included sharing insights from Harvard University Professor and New York Stock Exchange's "New Face of Innovation," Suneel Gupta, through his article "Everyday Dharma: 8 Essential Practices for Finding Success and Joy in Everything You Do" (see Appendix 1). Building on

this foundation, we have continued to strengthen the series in 2025 by curating thought-provoking content aligned with leadership development, innovation and sustainable growth.



Our commitment to learning extends beyond the organisation itself. In 2025, we attended two local careers fairs in Grantham and Stamford, engaging with sixth form and college students to highlight career pathways within sustainable manufacturing and industry. These events demonstrated that meaningful career opportunities exist both with and without a university degree, helping to broaden awareness of vocational and professional routes into the sector. To encourage engagement, students were invited to complete a short questionnaire about Vaculug, with correct entries entered into a prize draw.



Through the Vaculug Foundation, we further strengthened our support for access to education by launching a new bursary award fund in support of University College School (UCS). This initiative reflects our ongoing commitment to widening access to quality education and creating meaningful opportunities for talented students, regardless of their

financial background. Over the past year we have also collaborated with educational institutions in the UK to enhance our knowledge in the field of sustainability, as well as to share our sustainable thinking and best practices.



Through initiatives such as Vaculug University, community outreach and bursary support, we continue to foster a culture that values education and embraces a growth mindset. The programme remains open to all employees across the organisation and continues to inspire and engage colleagues at every level.

In 2025, we also maintained our thought-leadership efforts through monthly blogs written and published by our Chairman (see Appendix 5), reinforcing our commitment to continuous learning and open dialogue with employees, customers and partners.

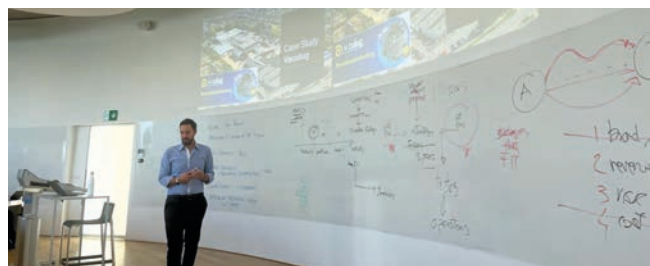
Over the past year, we have continued collaborating with educational institutions across the UK to deepen our knowledge in the field of sustainability, while also sharing our sustainable thinking and best practices.

To showcase our sustainability leadership, together with Professor Paolo Taticchi and UCL School of Management, we developed a case study documenting our journey of sustainable transformation and purpose-driven leadership. Originally published in May 2023, the case study has been used internationally in prestigious business schools, corporate programmes and industry summits across the UK, China, Italy and Spain. It has previously been included in MBA programmes at UCL School of Management and Imperial College London in the UK, Peking University in China, SDA Bocconi in Italy and EADA in Spain. It has also featured in executive training programmes, including Imperial College's Corporate MBA for Saudi Aramco in the

Kingdom of Saudi Arabia, as well as corporate events organised by The European House – Ambrosetti in Italy. Professor Paolo Taticchi has continued to showcase the Vaculug case study internationally



Developed by UCL School of Management, the case study sheds light on the real-world challenges facing SMEs and offers tangible guidance on building resilience, embedding sustainability and leading purposeful transformation. By sharing our journey and best practices, our approach has been studied and recognised internationally. This continued academic engagement reflects our commitment to driving positive change and our ambition to inspire other SMEs and business leaders as they build more sustainable and future-ready organisations.



Professor Paolo Taticchi showcased our Vaculug Case Study at Bocconi University in Milan, Italy



Professor Paolo Taticchi included our Vaculug Case Study as part of the Imperial College Corporate MBA programme for Saudi Aramco in KSA

SUSTAINABILITY & SKILLS TRAINING

At Vaculug, our dedication to education remains a cornerstone of our approach to building a responsible and future-ready business. We continue to invest in training, development, and upskilling opportunities for all of our employees, while also extending this commitment to our customers and partners through ongoing engagement initiatives, workshops, and collaborative forums. Throughout 2025, we have continued to strengthen sustainability awareness and capabilities across our stakeholder network, reinforcing the role that education plays in driving meaningful change across our industry.

We base our approach on a structured and informed strategy. In 2023, in line with our efforts to enhance our stakeholders' knowledge and understanding of sustainability, we enlisted the support of sustainability consultant Antimo Matano to develop dedicated training modules for our employees, customers, and industry partners. These modules, which continue to inform our approach today, focus on building a strong foundation in sustainability, alongside key topics such as diversity, equity, and inclusion, while emphasising the important role each stakeholder plays in our shared journey.

Throughout 2025, we have continued to deliver a wide range of training sessions across the organisation, with each department maintaining structured training matrices to ensure continuous development and compliance.

We remain dedicated to upholding the highest levels of safety, quality, and expertise by actively involving our manufacturing teams in annual training programmes, while also helping to shape the next generation of talent within our industry.

As part of our ongoing investment in people, we have further strengthened our focus on early careers and professional development. Throughout the year, we welcomed a number of apprentices across the business and continued to sponsor employees in pursuing higher education opportunities, including postgraduate studies. These initiatives reinforce our commitment to continuous learning, skills development, and long-term career progression.

We also enable training opportunities with our software team who are based in India. In November 2023, our Logistics Manager Jason Humphries travelled to India for a dedicated training opportunity, working alongside our software development team. The knowledge and experience gained through this

initiative continue to support the development of internal capabilities and the advancement of digital solutions across our operations. It is this kind of cross-departmental and cross-border collaboration that enables our team to develop innovative solutions and efficiencies for our operations and employees, whilst elevating the quality of our products and services for our customers.

Part of our commitment to excellence is ensuring we have a healthy and happy workplace. We strive to foster a fun, inclusive, and engaging work environment where employees feel valued and empowered. This dedication is reflected in the multitude of community engagement initiatives that take place throughout the year, with our employees actively participating in, and often taking a leading role in organising, these activities. This culture of collaboration and shared purpose remains central to the Vaculug way, supporting both individual growth and collective progress on our sustainability journey.

💡 CASE STUDY



In 2025, Vaculug achieved ResusReady certification from the Resuscitation Council UK, recognising that our workplace has the awareness, training and resources required to respond effectively in emergency situations.

The certification reflects our proactive approach to employee wellbeing and our ongoing commitment to creating a safe and supportive working environment across the organisation. Through enhanced emergency preparedness and staff awareness, we continue to strengthen our culture of care and responsibility.

We would also like to recognise the efforts of Barrie McPhilbin whose support and coordination played an important role in achieving this certification.

This achievement forms part of Vaculug's wider commitment to investing in our people and fostering a workplace culture centred on safety, wellbeing and continuous improvement.





FOSTERING A VACULUG FAMILY CULTURE

Fostering a strong family culture continues to sit at the heart of Vaculug. For 75 years, we have prioritised building a working environment grounded in respect, inclusivity and shared values. Throughout 2025, we continued to recognise and celebrate employee milestones, cultural festivities and personal achievements, reinforcing the sense of belonging that defines our organisation.

Through our employee engagement initiatives, we remain committed to embedding sustainable thinking into the fabric of our business. Our training programmes, customer events and community activities are designed to cultivate a shared sense of responsibility across our workforce, customers, suppliers and partners. At Vaculug, our people are not simply employees; they are part of a wider community united by a common purpose: contributing to a more sustainable future.

Supporting the health and well-being of our colleagues remains fundamental to sustaining this culture. In alignment with SDG 3 (Good Health and Well-being), we continue to implement initiatives that promote physical and mental wellness. Our partnership with a local gym remains in place, offering employees discounted access to fitness facilities. We also continue to prioritise open dialogue through structured appraisal discussions, ensuring employees feel supported in their professional development and overall well-being.

Our employee satisfaction and engagement survey remains an important tool for understanding how our people feel about their work environment and the support available to them. Previous results demonstrated high levels of engagement and satisfaction, with 90% of our employees being satisfied and engaged in 2023, and we remain committed to maintaining and strengthening this positive culture.

Together, these initiatives demonstrate how we live our core values each day, placing the health, happiness and well-being of our employees at the centre of our long-term success.

Recognising International Women's Day 2025

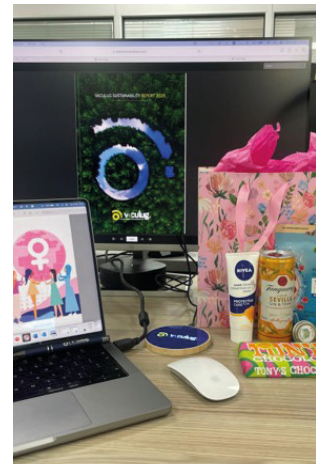
To mark International Women's Day on 8th March

2025, we took the opportunity to recognise and celebrate the incredible women who are an integral part of our Vaculug family.

With women still significantly underrepresented in the tyre industry, we remain firmly committed to championing diversity, inclusion and equal opportunities across our organisation. This year, in the lead-up to International Women's Day, we wanted to show our appreciation in a meaningful way. As a small token of gratitude for their hard work, dedication and contribution to our success, we presented each woman in our team with a specially curated gift.

International Women's Day is a reminder of the importance of creating a workplace where everyone has the opportunity to thrive. We are proud of the talented women within our organisation who continue to drive progress, break barriers and inspire positive change within our sector.

We extend our sincere thanks to all the women in our Vaculug family for their invaluable contributions and the impact they make every day!



Celebrating Special Vaculug Family Milestones

Driven by our family values, as we do every year at Vaculug, throughout 2025 we took time to celebrate special moments and occasions together with our Vaculug family. From milestone birthdays and long-service recognitions to retirements and key career achievements, these moments reflect the people at the heart of our business. We remain deeply grateful for the continued hard work, passion, and dedication of all our employees, and we are proud to celebrate these milestones together. Below are just a few snapshots of the many special moments we shared in 2025.

Celebrating over 50 years of service in the industry

In January 2025 our Chief Growth Officer Glenn Sherwood surpassed 50 years in the industry. This incredible landmark achievement was celebrated from our Vaculug family with a special gift: a 50-year-old Benjarong from Thailand, beautifully restored with 24-karat gold, as a symbol of our appreciation for his dedication over the years. Congratulations Glenn and thank you for being an essential part of the Vaculug family!



Celebrating over 25 Years at Vaculug

This past year we celebrated Mark Tyers (pictured below on the left) and Richard Royle (pictured below

on right) for reaching two remarkable milestones with us. Mark achieved 30 years of service while Richard reached 25 years as part of our family. A huge thank you to both Mark and Richard for their dedication and outstanding contributions over the years. Here's to many more years of success!



Congratulations to Mark Tyers (left) and Richard Royle (right) for reaching their remarkable milestones

Celebrating a Well-Deserved Retirement and a family legacy

After an incredible 42-year career at Vaculug, our Tyrfil Team Leader Ian Hilton is officially retiring. Whilst it won't be the same without him, in December 2025 we celebrated his time at Vaculug, as well as his well-deserved retirement filled with new adventures. The Hilton family legacy at Vaculug is truly remarkable: Ian's father, John, also served with us for 28 years. Combined, the Hilton family has given 70 years of service to our team!

We would like to take this moment to thank Ian for everything he has contributed towards Vaculug and its success, and we wish him the very best in his next chapter.





Supporting our employees in making meaningful change

We are incredibly proud of our OTR Logistics Manager, Chris Watson, who successfully completed the Naomi Fund Bike Challenge in support of an important charitable cause. Over the course of two days, the team cycled an impressive 133 miles from Great Ormond Street Hospital to Grantham, demonstrating outstanding determination, teamwork, and commitment.

We would also like to thank our valued brand partner Magna Tyres Group for proudly sponsoring Chris's cycling shirt, and DX Group for transporting all of the bicycles to London ahead of the event.

This challenge reflects the passion of our Vaculug family to support meaningful initiatives and make a positive impact within the wider community.

Celebrating our CEO's 50th birthday

In light of our 75th birthday, there was also another important birthday to celebrate, our CEO Harjeev Singh Kandhari turned 50! In true Vaculug fashion we came together to celebrate Harjeev and his special day. We look forward as Harjeev's continuing forward-thinking leadership and dedication to sustainable innovation continues to drive Vaculug to new heights.

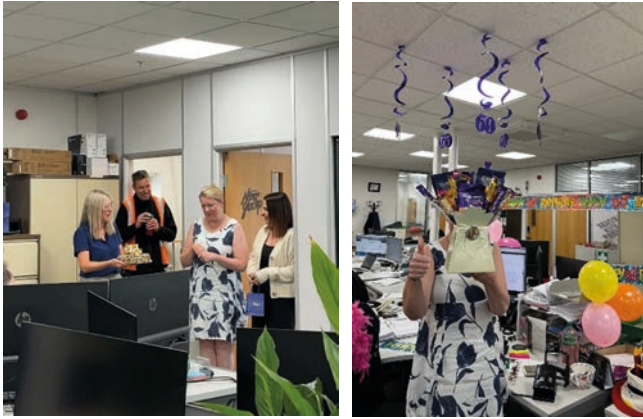


Celebrating an important birthday

During the year, the Vaculug family came together to celebrate a special milestone birthday for our Purchase Ledger Administrator, Sue Hallam, who turned 60. The team enjoyed a celebratory lunch together to recognise the occasion and thank Sue

for her continued dedication and contribution to the business.

Moments such as these reflect the close-knit culture we continue to foster across Vaculug, where recognising and valuing our people remains an important part of who we are.



CONTINUING LONGLASTING PARTNERSHIPS



2025 was not only a year in which we celebrated 75 years of Vaculug, but also a year in which we recognised and celebrated the strength of our long-standing partnerships. Amongst them was Hankook, with whom we proudly marked 20 years of collaboration.

To commemorate this milestone, we presented Hankook Tire's new Global CEO, Mr Sanghoon Lee, with a beautifully restored 20-year-old silver Arabic Dallah coffee pot — a symbol of generosity, heritage and longevity, reflecting the enduring relationship between Hankook and Vaculug.

Further celebrating this partnership, our Chairman Haarjeev Singh Kandhari also visited the new Hankook Tyre UK Head Office and Warehouse to personally wish the team every success as they begin this exciting new chapter. During the visit, he presented a custom-crafted golden Arabic dhow as a symbol of smooth sailing and continued success ahead.

The gesture carried a deeper significance for the Vaculug family and the history shared between both organisations. Nearly 50 years ago, when the Kandhari family first began trading Hankook tyres, they were transported across the region on traditional dhows just like this.

The presentation therefore served not only as a celebration of the future, but also as a tribute to the heritage, trust and enduring relationship that have shaped the journey between Vaculug and Hankook over decades.



Vipal joined us in October 2025 to celebrate our 75th anniversary and to also celebrate 20 years of successful partnership. The event was held at the facilities of the Westminster Palace, in London, welcoming strategic partners, employees and special guests for a night that also featured a performance from the Oxford University Choir. This event once more showcased our strong collaboration with Vipal built on trust, quality and a commitment to delivering value to our customers.

"The partnership with Vipal has been crucial for the sustainable growth of Vaculug over the past 20 years. We share common values and goals – such as the pursuit of excellence, commitment to innovation, and respect to the environment. This collaboration is a true example of how two companies can evolve together, supporting the sector's development and always offering the best to the customers,"

Haarjeev Singh Kandhari Executive Chairman of Vaculug



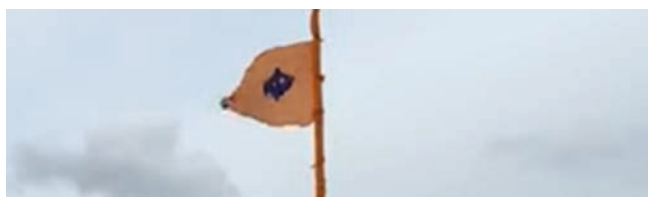
"Vaculug is a strategic partner for Vipal and a reference in quality and professionalism in the European market. Being present for such an important moment in its history highlights our admiration and commitment to continue growing together, based on innovation and mutual trust,"

Gilson Dugno, International Business Manager, Vipal

CULTURAL CELEBATIONS WITH OUR VACULUG FAMILY

Celebrating Vaisakhi

In April we proudly celebrated this important festival that marks the Sikh New Year and the harvest season. In honour of the day, we raised a new flag at our Grantham HQ to show our support and appreciation for the Sikh community and its rich heritage!



Celebrating Christmas

In December 2025, we once again came together to celebrate the festive season with our annual employee Christmas Party. This annual gathering remains an important opportunity to reflect on the year's achievements, express our gratitude and celebrate the dedication and commitment of our Vaculug family.

As the year drew to a close, the event provided not only a moment of celebration, but also an opportunity to thank our employees for their hard work and contribution throughout the year, and to look ahead with optimism to a healthy and successful year ahead.



OUR COMMITMENTS TO OUR PEOPLE	HOW WE ARE TRACKING
We will continue to upskill our Senior Management Team and employees with sustainability focused education and training sessions.	Developed/conducted training sessions in 2024 with our employees and leadership team. Three employees have completed their higher education – these are all in areas we have highlighted as being important for ensuring the business remains sustainable in the future.
We will continue to provide and track training on environmental, social and governance (i.e., ESG policies; Equality, Diversity and Inclusion training).	Ongoing.
We will explore providing training for mental and physical health and well-being for our employees.	Explored training providers in 2025 and are selecting the most suitable option, with finalisation planned for 2026.
We will introduce sustainability-focused employee awards to be awarded annually.	Launched our Sustainability Awards in 2023 (1 for office and 1 for manufacturing division); In 2025 we awarded 1 employee for the initiative “Turn off the light keep the future bright” (mentioned in section 9 of report
We will continue to introduce, track and measure employee engagement opportunities, such as dedicated community volunteering days.	We once more increased our volunteering hours by 15% year on year, following an additional 15% increase in 2024 from a base of 1600 hours in 2023. This included a broad number of activities including Tough Mudder challenge for Bhive
We remain committed to building our business as a family business and fostering an environment where our employees feel safe, healthy, and happy..	We host several events to engage our employees and we live our family values every day. Highlights include our 75 year celebration, Family Day with GXO and our Family Christmas Party in December 2025.





8

COMMITTED TO MANUFACTURING
EXCELLENCE, QUALITY, HEALTH & SAFETY



At Vaculug, ensuring a safe and healthy workplace remains one of our highest priorities.

We are committed to maintaining robust health and safety standards through clearly defined procedures, policies and ongoing oversight across all areas of our operations.

Since 2018, we have maintained an excellent safety record. Across 8 years we recorded two minor incidents, both of which resulted in no lost time and were managed effectively in line with our health and safety procedures.

Our Vaculug Limited Quality, Environmental, Health & Safety Policy sets out our commitments to quality manufacturing, environmental responsibility and workplace safety. This policy is communicated to all employees during onboarding and reinforced through regular training and visible signage across our sites. We expect every team member to uphold these standards and act responsibly to protect both themselves and their colleagues.

Key commitments within the policy include:

- Delivering first-class retread products and services manufactured in a safe and efficient manner.
- Protecting the environment through pollution prevention and the responsible management of environmental impacts associated with our activities.
- Encouraging open communication, participation and consultation with Vaculug team members.

The policy also outlines our commitment to continually monitoring and improving our management systems. It is supported by comprehensive risk assessments, environmental aspect evaluations and technical schedules that apply across all company activities.

In line with these commitments, we continue to maintain certification to ISO 9001 and ISO 45001

standards (see Figures 4 and 7), demonstrating our structured approach to quality management and occupational health and safety. Vaculug also remains a member of the Safety Schemes in Procurement (SSIP) Forum, validating our compliance with the forum's core safety criteria.

Beyond safeguarding our employees, we are equally committed to ensuring the safety of our customers who rely on our products and services. During 2025, we continued enhancing our Fleet Management System to strengthen service quality, operational efficiency and product reliability, helping customers maintain the highest safety standards across their fleets.

As a responsible business, we also recognise our broader duty to promote health and safety within the communities we serve. As a leading independent retreader, we believe it is our responsibility not only to provide safe, high-quality retreads but also to raise awareness about road safety and the critical role that properly maintained tyres play in preventing serious incidents. According to TyreSafe, the UK's tyre safety charity, as of 2023 an average of 190 people are killed or injured each year in incidents involving defective tyres. This has notably increased since 2022 and is on par with mobile phone related incidents²⁰. By advocating for best practice in tyre maintenance and safety awareness, we aim to contribute to safer roads for all.

"Before we even promote the sustainability of retreads, we promote the safety aspect. Retreads are safe products. They are on the landing gear of aircrafts, and in the US you'll also find them on school buses. So, they are absolutely safe. And indeed, they are also sustainable."

Haarjeev Kandhari, Vaculug Chairman

To drive awareness around road safety and effective tyre management, we established a partnership with the Metropolitan Police in 2022 to host Road Safety and Tyre Awareness Workshops for key industry stakeholders. Since then, the initiative has developed into a structured and evolving programme delivered in collaboration with the Driver and Vehicle Standards Agency (DVSA), addressing critical issues such as

²⁰ Source <https://www.tyresafe.org/resources/tyre-safety-infographics/> accessed February 2026

mobile phone legislation, bridge strikes, load security and tyre safety.

This trend continued in 2025. Our March Road Safety Event marked the third consecutive year of hosting these sessions and included organisations such as LMP Legal, Dawes Highway Safety and National Highways, alongside DVSA and the Metropolitan Police. Each contributor brought specialist insight, reinforcing best practice in tyre maintenance, regulatory compliance and fleet safety.

In October 2025, we hosted a further Road Safety and Tyre Awareness Workshop with an enhanced speaker panel, continuing to foster open dialogue between regulators, operators and industry specialists.

Through the continued evolution of this initiative, our Road Safety programme has grown into a collaborative platform for knowledge-sharing and practical engagement across the wider transport sector.

“Collaboration with multiple agencies such as Metropolitan Police and the Driver and Vehicle Standards Agency (DVSA) is a benefit to all, as the focus is 100% on safety.”

Lee Barton, National Account Manager at Vaculug

This trend continued in 2025. Our March Road Safety Event marked the third consecutive year of hosting these sessions and included organisations such as LMP Legal, Dawes Highway Safety and National Highways, alongside DVSA and the Metropolitan Police. Each contributor brought specialist insight, reinforcing best practice in tyre maintenance, regulatory compliance and fleet safety.

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Richard Wenham CMILT from the Metropolitan Police Commercial Vehicle Unit delivered a powerful new Toolbox Talk, tackling key road safety challenges

and reinforcing the need for constant vigilance and accountability behind the wheel.

Leah Hester from LMP Legal Limited provided valuable insights into roadside legal support, emphasising the importance of robust legal cover to protect both drivers and businesses in the event of an incident.

James Dawes MBE, CMILT from Dawes Highway Safety returned to share his expertise on vehicle safety signage, alongside inspiring examples of community-led initiatives aimed at improving awareness and reducing risk on the roads.

Closing the session, Mark Cartwright from National Highways presented compelling roadside safety statistics and introduced the Driving for Better Business resource, encouraging attendees to adopt a more structured, data-driven approach to fleet risk management.

Together, this diverse and high-calibre line-up reinforced a clear message: road safety is a shared responsibility that transcends individual organisations. By working collaboratively and maintaining consistent standards, the industry can continue to make meaningful progress towards safer roads for all.

“Fantastic event, I attended one of the Vaculug Safety events early this year, it covered some very important transport safety subjects, highly recommend companies to attend and take back what you have learned into your own fleet systems.”

Craig Gornall, Director of CSG Compliance Management Limited



In 2025, alongside our continued collaboration with the Driver and Vehicle Standards Agency (DVSA), we remained actively involved in supporting their apprenticeship programme, particularly the tyre training module.

We welcomed DVSA apprentices to our Grantham facility for dedicated Tyre Safety Workshops, combining classroom learning with hands-on experience in our tyre wear and damage workshop. Participants were also given a guided tour of our retreading facility, enabling them to better understand tyre construction and identify critical safety issues during roadside inspections.

This ongoing initiative plays a key role in equipping the next generation of inspectors with the practical knowledge needed to improve road safety standards across the UK.



In line with our continued efforts to promote road safety with our partners and within our communities, 2025 saw us expand our engagement through a series of hands-on initiatives focused on education, awareness and collaboration across the transport sector.

In February, as part of National Apprenticeship Week, we welcomed apprentices from Biffa to our site for a dedicated factory tour and knowledge-sharing session. The visit offered a behind-the-scenes look at our retreading process, helping to build understanding of tyre safety, sustainability and the critical role that maintenance plays in ensuring

safer roads. By engaging with the next generation of industry professionals, we continue to support the development of a more safety-conscious workforce.



Alongside this, we partnered with L Lynch Plant Hire & Haulage to support their safety stand down days, delivering targeted road safety workshops to drivers across their fleet. These sessions brought together HGV, van and car drivers for essential safety refreshers, reinforcing key messages around vehicle awareness, driver responsibility and risk reduction in day-to-day operations.



These initiatives build on the foundations of our community outreach programmes, including our 2024 collaboration with the Metropolitan Police and local partners for National Road Victim Month, where we hosted a road safety workshop for pupils at Gonerby Hill Foot Primary School. Located opposite our Grantham site, the school provided an ideal setting to engage young people on the importance of road safety, particularly around HGVs and driver blind spots.

"This is a wonderful way to live our values. Thank you to all involved for making this happen, and I hope that we do more of this. Children are our future! WaheguruJi!"

Haarjeev Kandhari, Chairman, Vaculug



Together, these activities reflect our ongoing commitment to raising awareness of road and tyre safety across all audiences from school children to industry professionals. Whether through educational outreach, industry collaboration or on-site engagement, we remain dedicated to promoting safer behaviours and reducing risk on the roads, not just during key awareness moments, but as part of our everyday operations.

In June 2025 we returned as an exhibitor at the Road Transport Expo (RTX), the UK's leading road transport exhibition, where we continued to engage industry partners and drive awareness around road and tyre safety.

Held at Stoneleigh Park, the event once again brought together key stakeholders from across the sector to connect, collaborate and share best practice. We were proud to take part again this year, showcasing not only our commitment to safety but also innovation within our product range.

A key highlight of RTX 2025 was the official launch of our new ZEXY Range, a bold line of versatile tyres engineered for performance, durability and reliability across every journey. The unveiling marked a major milestone for our business and was celebrated with a well-attended reception at our stand, welcoming partners and industry peers.

Building on our sustainability commitments, we continued to utilise our reusable exhibition stand, first introduced in 2024, reinforcing our focus on reducing waste across events. Our sustainability-led artwork also remains an important feature of our approach, having been repurposed and reinstalled at our HQ in Grantham, ensuring long-term value beyond the exhibition space.





Reinforcing our commitment to safety and providing quality service for our customers, in 2024 we announced that our operations conversion of over 320,000 locking wheel nuts across 4,000 vehicles. The conversion of these wheel nuts enhanced safety and efficiency. The task was no small feat achieved thanks to the dedication and expertise of our skilled Operations Team. This achievement highlights our company's commitment to safety, efficiency and exceptional service delivery within the transport industry.

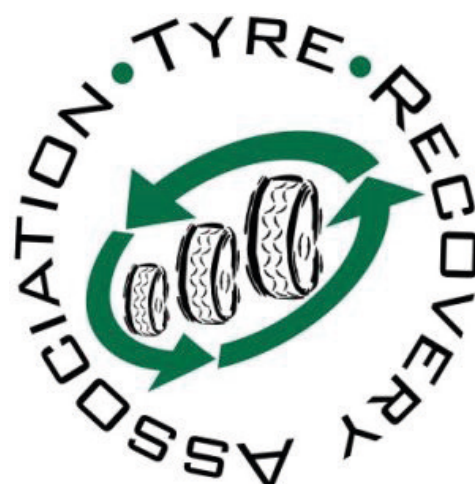
The conversion of locking wheel nuts is a critical aspect of vehicle maintenance, directly impacting safety on the roads. By implementing this conversion, Vaculug's Operations Team has proactively addressed potential safety concerns and ensured optimal vehicle performance for its customer.

"We are thrilled to announce the successful conversion of over 320,000 locking wheel nuts across 4000 vehicles. This achievement reflects our dedication to ensuring the safety and reliability of every tyre we manage. Our Operations Team has demonstrated remarkable efficiency and expertise throughout this process, which has further solidified Vaculug's position as a trusted partner in tyre management solutions."

Michael Evans, OTR and Operations Director at Vaculug

We remain dedicated to innovation and continuous improvement, constantly seeking ways to elevate the standards of tyre management solutions within the transport industry. The successful conversion of locking wheel nuts represents just one aspect of our comprehensive approach to optimizing fleet performance and safety.

In line with our Health & Safety policies, we have several certifications that ensure we comply with industry standards and regulations (see Figure 4).



Underscoring our continued commitment to tyre safety and sustainability, in 2025 we remained a proud member of the Tyre Recovery Association (TRA), building on our membership established in 2023.

The TRA represents the UK's tyre recovery sector, promoting best practice and ensuring a responsible, compliant approach to tyre collection and processing. As members, we continue to ensure that all tyre waste is managed ethically and in full compliance with regulations. Through alignment with the TRA's standards and the Responsible Recycler Scheme, we support the environmentally responsible disposal, recycling and reuse of tyres across the industry.²¹

To uphold our Health & Safety practices and certifications, our production team participated in training in line with our ISO audits. In December 2025 we successfully maintained our ISO45001 certifications extending it for 3 years.

²¹ Source: <https://tyrerecovery.org.uk/about-tra/>, accessed February 2026

ROAD SAFETY: A YEAR-ROUND COMMITMENT



Road traffic crashes claim 1.2 million lives every year, making road safety one of the most urgent global health challenges of our time. As a business built on tyre safety and responsible fleet management, this is a cause that sits at the heart of everything we do.

Throughout the year we marked both National Road Victim Month and Road Safety Week, using these moments to amplify a message we champion every day. From our ongoing partnerships with the Metropolitan Police Commercial Vehicle Unit and the DVSA, to our daily Driver Tyre Check videos and our work with charity partner Transaid, who are transforming road safety across sub-Saharan Africa, we remain steadfast in our commitment to safer roads for everyone



Figure 4: Summary of Health & Safety Certifications

HEALTH & SAFETY CERTIFICATION	HOW WE ARE TRACKING
OHS 45001:2018	Sets out the criteria for an Occupational Health and Safety Management System that an organization can use to protect employees and visitors from work-related accidents and diseases. Certifies Vaculug complies with the requirements of ISO 45001:2018 (SSIP) for the following scope: Remoulding of tyres and associated activities. This certification replaced OHAS 18001:2017. BSI also confirms as a registered member of the Safety Schemes in Procurement Forum, that the organization has demonstrated its compliance with the core criteria for organizational capability as specified in Appendix 1 of SSIP's rules and bylaws for all relevant duties as detailed within the scope above.
Alcumus Safe Contractor	Certificate of SafeContractor Accreditation for the following services: Work Categories; Ability to Subcontract; Ability to Subcontract Supplier & Service Provider; Supplier Industry Roles; Non-Construction Contractor, Supplier Category Related Activities; Ladders / Step Ladders, Selection & Control of Subcontractors, Working at Height.



TOGETHER WE CAN ACHIEVE A SUSTAINABLE FUTURE



At **Vaculug**, we are strongly committed to become carbon neutral by 2030. This means that greenhouse gasses produced by our activities will be balanced by the amount removed from the atmosphere. By doing this, we recognise the importance of becoming more ecological every day.



WE ARE COMMITTED TO QUALITY & EXCELLENCE

We remain steadfast in our commitment to producing and delivering the highest quality products and services to our customers.

To ensure consistent quality and operational excellence, our Vaculug Limited Quality, Environmental, Health & Safety Policy sets out clear commitments, including:

- The continuous improvement of our management systems, performance and products
- The ongoing enhancement of operational efficiency and service standards
- Meeting and maintaining the requirements of ISO 9001 and ISO 45001 (see Figures 4 and 7)

In support of these commitments, our professional repair service team carries out repairs on all sizes of commercial vehicle tyres in accordance with BS AU

159f standards. We also service off-the-road (OTR) tyres through a rigorous remanufacturing process that involves renewing the tread and sidewall rubber of worn tyres with sound structural integrity.

Our retreading process follows six key stages: initial inspection, buffing, preparation, building, curing and final inspection. During the final inspection phase, each tyre undergoes eight comprehensive quality checks, exceeding the testing typically applied to new tyres, to ensure it is free from defects and fully fit for service. All retread tyres are manufactured to ECE109 standards, equivalent to those applied to new tyres. Our digital systems maintain a complete record of every stage of the remanufacturing process, and we continue to invest in advanced retreading technology, including 12-segment high-pressure moulds and inflation testing up to 150 psi.

Reinforcing our long-standing commitment to quality and safety, we have maintained ISO 9001 certification since 2015. This certifies that our quality management system complies with recognised standards governing the manufacture of retread tyres for commercial, industrial and earthmoving vehicles,



as well as the repair and polyurethane filling of such tyres (see Figure 7 in Section 9). Furthermore, 100% of the products we produce are supported by a formal warranty or guarantee, providing customers with confidence and assurance.

As part of our broader sustainability approach, we continue to maintain and invest in our manufacturing equipment to ensure long-term performance and reliability. Our autoclave machine, used for curing off-the-road (OTR) tyres, has been in operation since 1952. Its continued use reflects our commitment to maintaining high-quality assets and extending equipment lifespan in line with our sustainable and circular approach to manufacturing.

CASE STUDY

APPROVED FOR GROUND HEATHROW OPERATIONS

In March 2025, Vaculug achieved a significant milestone with the approval of its Heathrow Ground Operations Licence, enabling the company to provide sustainable tyre solutions for ground support vehicles operating at one of the world's busiest airports.

The approval reflects Vaculug's continued commitment to operational excellence, quality assurance, safety, and innovation across every area of the business. Operating within the highly regulated aviation environment requires strict compliance with industry standards and reinforces confidence in Vaculug's capabilities as a trusted fleet management and retreading partner.

By extending its expertise into the aviation sector, Vaculug continues to demonstrate how sustainable tyre solutions can support operational efficiency while reducing environmental impact through retreading and responsible tyre management practices.

The Heathrow Ground Operations Licence represents another important step in Vaculug's

long-term strategy to expand sustainable mobility solutions into new sectors while maintaining the highest standards of safety, service, and operational performance.

"We are thrilled to receive this certification, which allows us to contribute to Heathrow's operational excellence while promoting sustainable practices [...] "This approval reflects our dedication to meeting the highest standards in ground operations and sustainability."

Michael Evans, Operations & OTR Director





CASE STUDY

SUPPLIER ON THE CROWN COMMERCIAL SERVICE

In 2025, Vaculug was proud to be named as a supplier on the Crown Commercial Service's RM6353 Tyres, Glass and Telematics Framework. Under this agreement, Vaculug has been approved as a supplier for Lot 2 – Supply, Fit and Management of Tyres and Associated Products and Services.

The Crown Commercial Service (CCS) plays a vital role in supporting public sector organisations across the UK by helping them achieve maximum commercial value when procuring goods and

services. Vaculug's inclusion on the framework reflects the company's continued commitment to delivering high-quality, sustainable tyre management solutions that meet the rigorous standards required within the public sector.

This appointment further strengthens Vaculug's position as a trusted partner for fleet operators and highlights our ongoing commitment to safety, compliance and service excellence across the transport industry.



A LOOK AHEAD – COMMITTED TO HEALTH & SAFETY OF OUR EMPLOYEES, AND DELIVERING QUALITY & EXCELLENCE TO OUR CUSTOMERS

To safeguard the health and safety of our employees while consistently delivering quality and excellence to our customers, we remain committed to continuously strengthening our practices and policies. We will also continue investing in the training and development of our people, ensuring they are equipped with the knowledge, skills and resources needed to perform at their best and realise their full potential..

OUR QUALITY, HEALTH & SAFETY COMMITMENTS	HOW WE ARE TRACKING
We will reinforce our existing ESG policies by continuing to improve and integrate ESG issues into our HR and Management policies.	Formalised and published our ESG policy and Code of Ethics policies in 2023.
Maintain our commitment to fostering a healthy, safe, and zero-injury work environment.	Two minor incidents since 2018, both of which resulted in no lost time and were managed effectively in line with our health and safety procedures.
We are committed to continuing to make Quality & Excellence training a priority across our business operations by formalising our training processes.	Ongoing.
We will formalise our communication around the training and development opportunities and expectations for our employees.	Ongoing.

OUR ECOLOGICAL TRANSFORMATION STARTS NOW



At **Vaculug**, we are strongly committed to become carbon neutral by 2030. This means that greenhouse gasses produced by our activities will be balanced by the amount removed from the atmosphere. By doing this, we recognise the importance of becoming more ecological every day.







9

TAKING CARE OF OUR BUSINESS AND THE PLANET

REDUCING OUR IMPACT ON THE PLANET

We remain firmly committed to operating as a responsible business that values our people, our communities and the environment.

At the core of our business is retreading, a circular manufacturing practice that extends the life of tyres and prevents millions from entering landfill each year by keeping them in productive use. By prioritising reuse over replacement, we actively support a more resource-efficient and resilient transport sector.

We continue to pursue our ambition of achieving zero-landfill operations. As part of our daily activities, unusable tyres and rubber materials are diverted from landfill and redirected into responsible recovery and repurposing streams, supporting both environmental protection and local community benefit.

TRACKING OUR ENVIRONMENTAL PERFORMANCE AND IMPACT CARBON FOOTPRINT

We remain committed to achieving carbon neutrality by 2030 and continue to progress along our structured decarbonisation roadmap.

Our circular business model is inherently carbon efficient. The retreading process emits significantly less carbon dioxide than manufacturing a new tyre, reducing emissions by up to 70%, while also lowering raw material consumption and energy use.

Our combined retreading and recycling initiatives play a central role in minimising our environmental footprint. In line with our decarbonisation strategy, originally developed in 2023 in partnership with Tecno International, we continue to strengthen our carbon management approach. Tecno International

conducted a comprehensive carbon footprint assessment aligned with the Greenhouse Gas (GHG) Protocol — the globally recognised accounting and reporting framework developed by the World Business Council for Sustainable Development. The GHG Protocol categorises emissions into Scope 1 (direct emissions), Scope 2 (purchased energy) and Scope 3 (value chain emissions) (see Figure 5).

The initial assessment established our Scope 1 and Scope 2 baseline using data from January–December 2021. This baseline serves as a benchmark against which we measure progress and inform reduction strategies. Recognising that accurate measurement is fundamental to effective decarbonisation, we are currently re-measuring internally our carbon footprint, to reflect our current business impact, and inform the pursuit of our emissions goals.

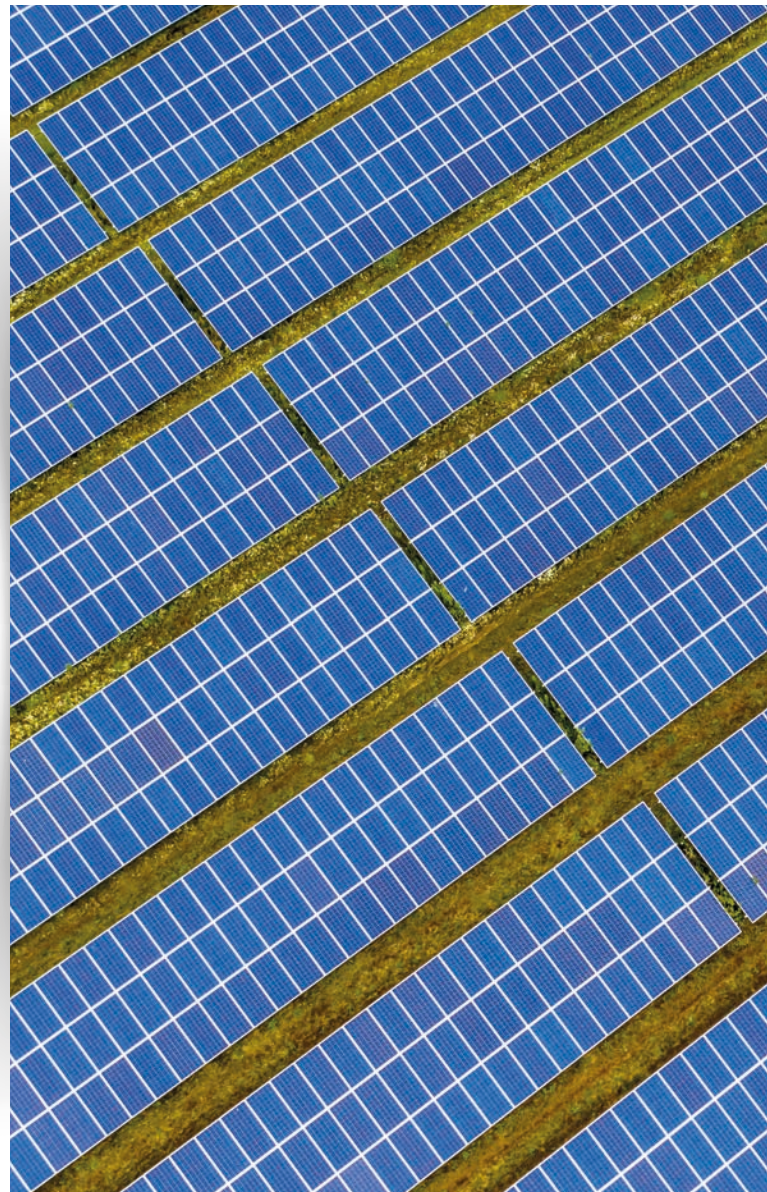
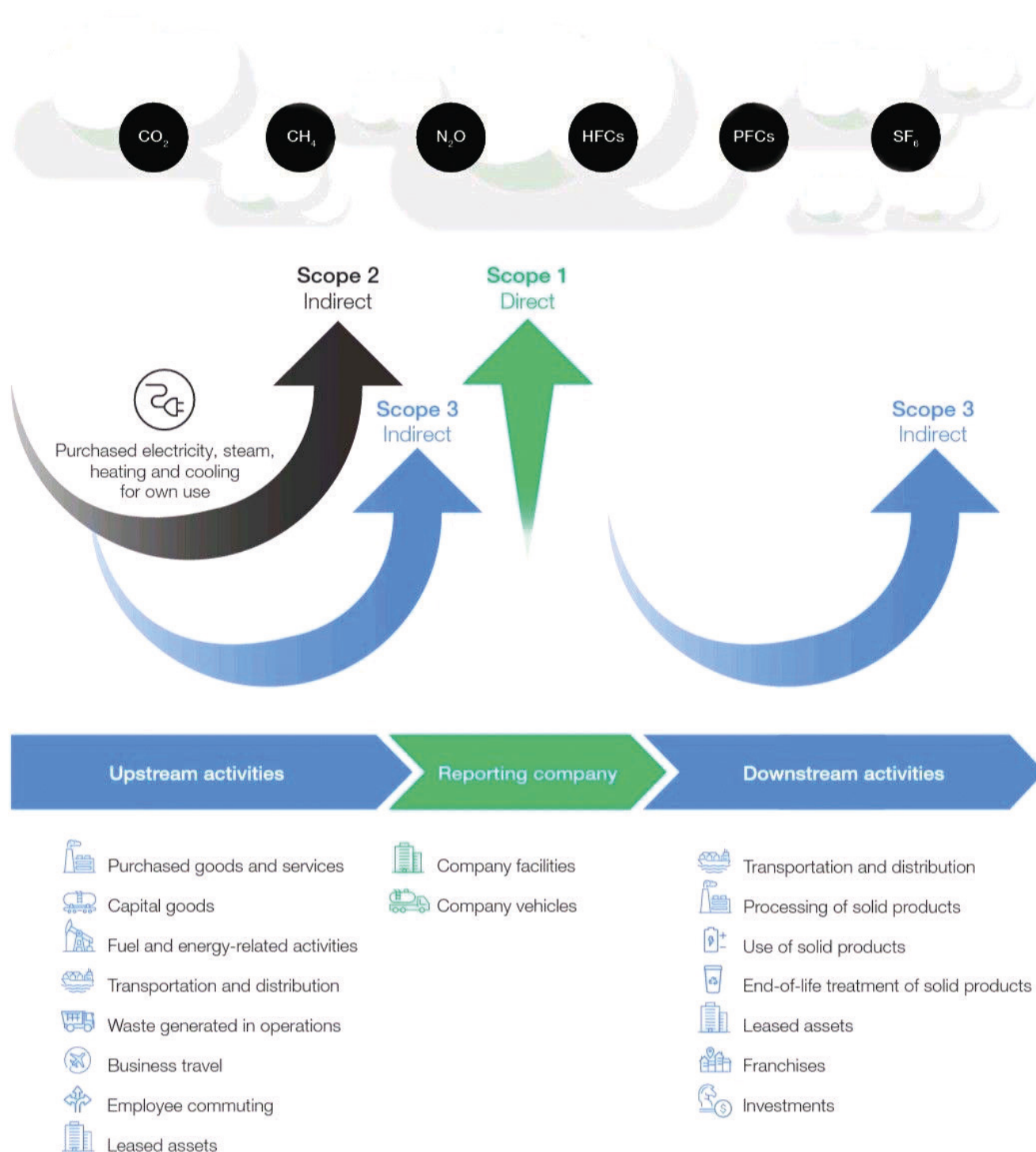


Figure 2: Overview of Scopes 1, 2 and 3



Source: US Environmental Protection Agency

This included quantifying key inputs such as litres of fuel consumed, kilowatt-hours (kWh) of electricity purchased, and standard cubic metres (smc) of gas used within our facilities and fleet operations.

The results of our baseline assessment, based on 2021 operational data, identified that the majority of our carbon emissions arise from indirect Scope 2 activities. Scope 2 emissions accounted for 87.4% of total greenhouse gas emissions, equivalent to 8.89E+05 kg CO₂e, primarily driven by purchased electricity consumption.

The remaining 12.6% of total GHG emissions (1.28E+05 kg CO₂e) were attributed to Scope 1 sources, with diesel and petrol consumption from our company vehicle fleet representing the primary contributors.



"We are excited to work with Vaculug on their ambitious decarbonisation agenda. We are impressed by the commitment and ambition of a smaller manufacturing company operating in what is often deemed a carbon-intensive sector. We look forward to continuing to support Vaculug as they pursue their journey towards carbon net-zero."

Salvatore Amitrano, Director, Tecno International

Based on these findings, and with the support of Tecno International, we developed a comprehensive decarbonisation strategy in 2023 aimed at achieving carbon net-zero by 2030. In parallel, we engaged an independent third-party auditor to verify the robustness and accuracy of our emissions assessment.

Following this external review, we defined and submitted our long-term emissions reduction targets in alignment with the Science Based Targets initiative (SBTi). The SBTi is a globally recognised body that supports companies in setting emissions reduction targets consistent with the latest climate science and the goals of the Paris Agreement.

In 2025, our science-based targets were formally validated and approved by the SBTi, confirming that our targets were aligned with credible, science-based methodologies. This validation represents a significant milestone in our sustainability journey and reinforces the integrity of our decarbonisation roadmap.

Our commitment to the SBTi is one of the many ways we continue to embed sustainable thinking into our strategy, operations and long-term decision-making.



Completing a comprehensive carbon assessment marked a critical milestone in our sustainability journey. Understanding where our most significant emissions arise is essential to delivering meaningful and measurable reductions. While we remain fully committed to building a responsible and sustainable business, we recognise the importance of allocating our resources strategically to achieve the greatest possible impact. The assessment established a clear emissions baseline, enabling us to track progress with accuracy and transparency. With this data-driven foundation in place, we are better positioned to prioritise high-impact interventions, direct investment effectively and align operational decisions with our decarbonisation objectives.

In line with our decarbonisation roadmap and validated Science Based Targets initiative (SBTi) commitments, we have continued implementing targeted initiatives over the past two years to reduce our carbon footprint and strengthen the resilience of our operations.

An important finding that emerged from our carbon assessment was that our fleet represents a key contributor to our Scope 1 emissions. In response, we began implementing a structured fleet transition plan as part of our broader decarbonisation roadmap. By the end of 2024, 80% of our company car fleet had transitioned to hybrid technology, in line with our target to fully convert the fleet by 2025. We are pleased to confirm that during 2025 this transition has now been completed, marking a significant milestone in reducing direct emissions associated with company travel. This progress builds on the installation of eight fast-charging stations at our Grantham site and forms an important component to our transition.

Alongside electrification of our lighter fleet, we continue to assess lower-carbon fuel alternatives for heavier vehicles, including Hydrotreated Vegetable Oil (HVO). While still under evaluation from both an operational and commercial perspective, HVO remains one of several potential solutions being considered within our longer-term Scope 1 reduction strategy.

As part of our wider decarbonisation efforts, we continuously look for opportunities to improve operational efficiency and reduce energy demand across our facilities. In 2024, we conducted a feasibility study for solar panel installation at our Grantham manufacturing site. The study concluded that the existing roof structure could not safely support the scale required to meet our operational energy needs. While this specific pathway was not viable, it reinforced our commitment to identifying alternative renewable energy solutions that are technically and structurally appropriate.

During 2025, our focus has centred on strengthening operational resilience through a deliberate combination of innovation and responsible asset stewardship. We have invested in a more energy-efficient IT data storage and cloud platform, modernising our digital infrastructure while reducing associated energy intensity. In parallel, the opening of our OTR Centre of Excellence has enhanced service capability while embedding more efficient and circular processes within our operations using Tyrfil technology. Through targeted partnerships and continuous process improvements, we are further

strengthening closed-loop practices and improving material efficiency across our OTR division.

Alongside these forward-looking investments, we remain committed to disciplined plant maintenance and the long-term optimisation of existing assets. One of our OTR autoclaves has been in continuous operation for over 70 years and continues to perform effectively due to rigorous maintenance and ongoing process refinement. We view this integration of innovation and longevity as a core sustainability strength, modernising where it enhances efficiency and performance, while extending asset life where durability and reliability allow us to avoid unnecessary resource consumption and embedded carbon.

In addition, we remain committed in supporting our customers through their decarbonisation. Many of our customers are small to medium-sized enterprises with limited internal sustainability resources. Since 1 June 2023, we have offered a voluntary carbon compensation initiative allowing customers to offset the carbon footprint associated with the production of their Vaculug retreaded tyres within the UK. For less than 70 pence per retread, customers can choose to compensate the calculated product footprint through verified carbon projects. While we prioritise emissions reduction at source in line with our targets, this mechanism provides customers with an accessible pathway to contribute to climate mitigation while broader structural reductions are delivered.

To further support our carbon reduction efforts, we maintain a policy requiring all business-related flights undertaken by employees to be carbon compensated. Emissions associated with unavoidable business travel are offset through verified initiatives, ensuring responsible management of residual emissions.

We also continue to improve logistical efficiency across our network. Our Casing App enables used tyre casings to be collected simultaneously with deliveries, reducing unnecessary journeys and associated fuel consumption. Delivery routes are reviewed and optimised regularly to ensure continuous improvement in operational efficiency.

While meaningful progress has been made, we acknowledge that further work remains. Through continued investment, operational discipline and collaboration with industry and policymakers, we remain committed to delivering measurable progress against our science-based targets and our long-term ambition to achieve carbon neutrality by 2030.



Contributing to our overall efforts to reduce our carbon footprint and to make a positive impact for the planet, we are proud Patrons of the One Life One Tree - The Sequoia Project now known as the Great reserve. Through our partnership, we purchased a Giant Sequoia tree which was planted in the Brecon Beacons. We are encouraged by the idea that the next generation will be able to enjoy the shade created by this tree.

"The one who plants trees knowing that he or she will never sit in their shade, has at least started to understand the meaning of life."

Rabindranath Tagore

BIODIVERSITY

A key initiative we are continuing to develop at Vaculug is the creation of biodiversity-enhancing habitats across our Grantham site. Spanning 12 acres, our headquarters presents a valuable opportunity to support local ecosystems and contribute to the restoration of natural habitats. Building on the foundations established in 2024, we have been progressing plans to introduce native wildflower areas across our site and in collaboration with neighbouring partners, with the aim of attracting pollinators and fostering thriving biodiversity spaces within our local environment.

This initiative is being developed in collaboration with our partner Econika, a firm specialising in carbon reduction through third-party verified, high-quality carbon credit projects. Together, we are

CULTIVATING AWARENESS FOR THE ENVIRONMENT

Throughout the year, we actively mark key global environmental awareness moments as part of our broader commitment to keeping sustainability visible, relevant and actionable, not just in strategy, but in the everyday thinking and behaviours of our people.

Occasions such as World Environment Day, World Ocean Day, Earth Day, Zero Waste Week and Plastic Free July serve as valuable touchpoints for reinforcing our #SustainableThinking approach across our teams, customers and wider stakeholder network. Rather than treating these as standalone events, we use them as opportunities to reflect on progress, share knowledge and deepen engagement with the environmental priorities that shape our business year-round.

From reducing landfill waste and conserving raw materials to lowering carbon emissions through retreading and recycling, the values these campaigns champion are ones we work to embed into our operations every day. For us, sustainable thinking is not seasonal, it is a continuous practice, and these moments simply give us another reason to reflect and share that commitment with the world and our people.



working towards implementing both habitat creation and tree planting initiatives as part of our broader environmental strategy.

In addition to this we have extended our plans, in honor of our 75 year milestone, to plant 75 trees, as part of our ongoing commitment to enhancing green spaces and supporting nature-based solutions.

Through initiatives such as these, we continue to contribute to SDG 15 (Life on Land), which aims to protect, restore, and promote the sustainable use of terrestrial ecosystems, while helping to halt biodiversity loss.

“The best time to plant a tree was 20 years ago. The second best time is now.” - Chinese Proverb

WATER CONSUMPTION

Through our manufacturing processes, we continue to work towards improving water efficiency year on year. Within the retreading business, the majority of our water consumption is associated with core manufacturing operations.

In 2025, our total water consumption was 3,715 cubic metres (m³). This represents a significant reduction compared to 2024, when water usage totalled 5,061 m³. The reduction achieved in 2025 was primarily due to changes in equipment to more efficient alternatives. This reflects our continued focus on monitoring operational efficiency and identifying opportunities to optimise resource use, while maintaining the high quality and safety standards of our retreading processes.

ENERGY CONSUMPTION

In 2025, our energy consumption across our Scope 2 operations totalled 2,384,986kWh. This represents a slight increase compared to 2,336,470 kWh in 2024. The rise in consumption during 2025 can largely be attributed to the increase in hybrid vehicles adoption and the use of EV chargers.

Despite this increase, overall energy consumption remains below our 2021 baseline of 2,704,066 kWh, demonstrating improved energy performance

relative to our starting point, even as the business grows.

The sustained reduction achieved since 2021 reflects the cumulative impact of efficiency initiatives implemented in recent years. These include the installation of in-house developed thermal insulation systems for our tyre presses, upgraded compressors, investment in an upgraded heating control mechanism, adoption of advanced production techniques that reduce cure time and energy intensity during manufacturing, and the replacement of lighting across our facilities with LED technology.

During 2025, we continued to strengthen operational efficiency through both targeted investment and disciplined maintenance. The opening of our OTR Centre of Excellence has enhanced service capability while embedding more efficient and circular processes, including the integration of Tyrfil closed-loop technology within our OTR operations. At the same time, we continue to prioritise regular maintenance and optimisation of existing equipment.

We have also enhanced the efficiency of our IT systems, reinforcing our commitment to reducing impact, while recognising that this falls outside our Scope 2 consumption.

As we continue to grow, we remain focused on identifying further opportunities to improve energy efficiency and reduce energy intensity across our operations in line with our science-based targets and long-term decarbonisation roadmap.

We continue to explore opportunities to reduce energy consumption within our manufacturing processes. As part of these efforts, in 2024 we invested in three new energy-efficient compressors to replace older models with higher energy demand. These compressors were installed in 2024 and contribute to improved operational efficiency.



EXPLORING TYRE CUTTING TO REDUCE CARBON EMISSIONS

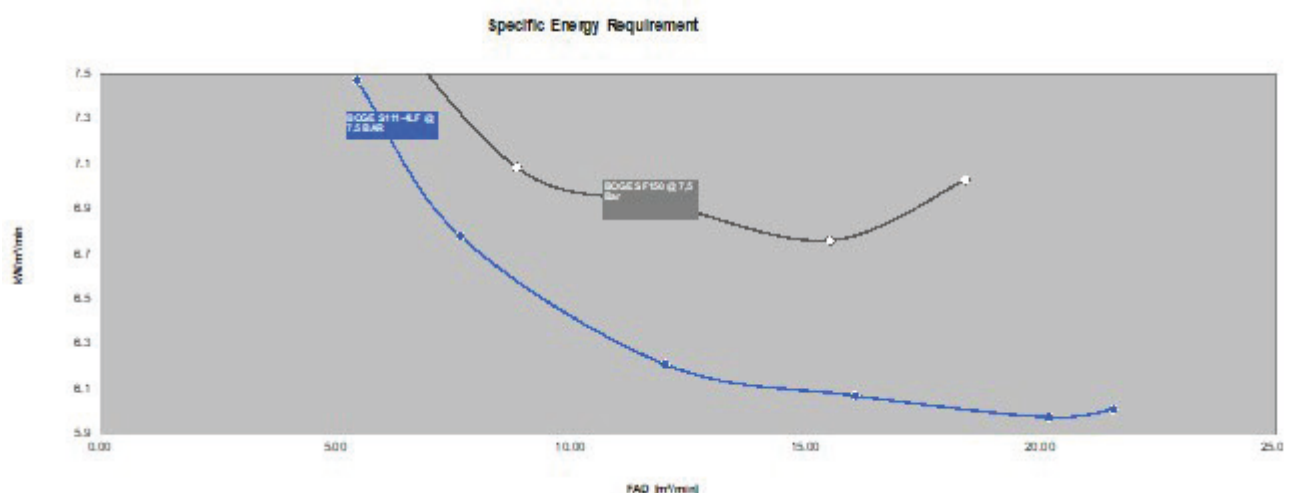
As part of our ongoing #SustainableThinking journey and commitment to continuous improvement, this year we invested in upgrading screens across our manufacturing facility.

The new screens provide clearer visibility for operational data, production tracking and workflow management, helping teams respond faster and work more effectively across the facility, while also improving energy efficiency and reinforcing Vaculug's focus on innovation, operational excellence and sustainable manufacturing practices as we futureproof our facilities for the years ahead.



Three new energy efficient compressors that we put in place in our manufacturing site in early 2024, replacing our older models that consumed more energy. By switching to our new compressors, our energy consumption dropped from 7.0 kW/m³/min to 6.0 kW/m³/mi (see Figure 6)

FIGURE 6: COMPRESSORS PERFORMANCE CURVE (2024)







Week
05

Fr Sa

5	6	7	14	21	28
11	12	13	20	27	4
17	18	19	26	3	10
23	24	25	31	1	8
29	30	1	2	9	16



WASTE MANAGEMENT & RECYCLING (MANUFACTURING WASTE, FOOD WASTE)

We recognise the important role the retreading industry plays in preventing end-of-life tyres from accumulating in landfill sites worldwide. As a circular manufacturing process, the retreading sector contributes directly to SDG 12 (Responsible Consumption and Production). More specifically, retreading supports SDG target 12.5, which focuses on substantially reducing waste generation through prevention, reduction, recycling and reuse.

As part of our retreading operations at Vaculug, we purchase used tyre casings, manufacture and sell retreaded tyres, and ensure that rubber waste materials which cannot be reused are responsibly recycled rather than sent to landfill. We operate in accordance with industry standards governing the reuse of tyres and the recycling of those beyond further use. In addition, we continue to reduce, reuse and recycle materials wherever possible across our operations.

Although recycling end-of-life tyres incurs higher costs than landfill disposal, we have consciously chosen to act responsibly by maintaining our zero-landfill approach.

Through collaboration with our trusted recycling and repurposing partners, including Murfitts Industries and Conica, we ensure that none of our rubber waste goes unused. As the UK's leading tyre collector and a global manufacturer of rubber granules, Murfitts Industries is committed to recycling 100% of the tyres they collect. These materials are repurposed into a wide range of products, including artificial turf infill, rubber mulch for children's playgrounds, carpet underlays and road surfaces. As a proud member of the Tyre Recovery Association, we are confident that our partners' recycling processes remain responsible and compliant with industry regulations.

In 2025, our recycling programme resulted in:

- 14,866,000 kilograms of rubber recycled
- 4,984,000 kilograms of steel recycled
- 52,156,000 kilograms of CO₂ saved.

These savings reflect the materials recovered through our tyre recycling operations. Our CO₂ savings figure includes data from our second tyre recycling partner for the first time, providing a more complete picture of the savings achieved across our recycling network.

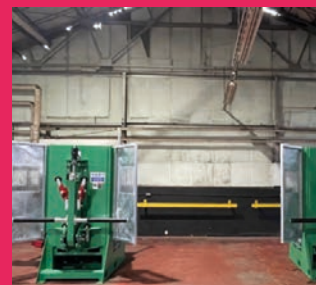
All of our end-of-life tyre rubber is sent to our recycling partners, Murfitts and Conica, to be recycled and repurposed.

CASE STUDY

TYRE CUTTING TO REDUCE CARBON EMISSIONS

Our recycling efforts remain integral to our circular business model. Previously, end-of-life tyres were transported intact to our recycling and reprocessing partners. In 2024, following a feasibility assessment, we invested in two tyre cutting machines to improve transport efficiency.

By cutting tyres prior to collection, we are able to increase trailer capacity and reduce the number of transport movements required annually. This approach lowers fuel consumption, associated carbon emissions and operational costs. The continued use of these machines supports more efficient transportation and recycling of our waste casings.



Two new tyre cutting machines which we invested in and put in place in 2024.



Once our materials arrive at our recycling partner's plants located in the UK, they will be used in one of two ways. The first way sees our recycled rubber being turned into rubber crumb, which is then used to make various products, such as sports surfaces and playgrounds. The second scenario sees that the rubber crumb made from our recycled tyres is sent back to tyre manufacturers, who then use it to make new tyres. In both scenarios, our end-of-life tyre rubber that was otherwise destined for landfill is put to good use.



Image courtesy of Murfitts Industries

In addition, through our partnership with Tyrfill, recycled rubber crumb is incorporated into tyre filling solutions within our OTR operations. This closed-loop approach strengthens material efficiency and supports the development of more durable, puncture-resistant tyre solutions for our customers.

As part of our recycling programme, we ensure that all packaging materials used for our products meet independent environmental standards and remain fully recyclable.

Beyond tyre waste, 100% of our non-tyre related waste continues to be recycled in line with our 'zero general waste to landfill' policy, which is monitored

through our Environmental Management System (EMS) certification.

To ensure best practice in waste management and compliance, our Health & Safety Manager maintains formal Operator Waste Return training, supporting accurate monitoring and reporting of materials leaving our site.

In support of our mission to keep tyres out of landfill, our internal team developed the Casing App, enabling us to track casings with customers and encourage their return for responsible reprocessing or recycling at end-of-life. Where casings are not returned, a fee is applied to promote responsible disposal.

In addition to being a zero-landfill retreader, our retreading processes use 76 litres less oil and raw materials than what is required to produce an equivalent new tyre.

Through our recycling and waste-management efforts - combined with our decarbonisation efforts - we are determined to reduce our environmental impact and grow a responsible business at the same time.



LIFECYCLE ASSESSMENT OF OUR VIP TYRE

In 2024, we introduced our new VIP Tyre at our Dealer Day held in Birmingham in May. The development of the VIP Tyre required investment in new presses and moulds to deliver the sizes and specifications required by our customers. The VIP Tyre offers several performance benefits, including enhanced durability with a 30% improved lifespan, superior traction and grip, and a dual-designed tread pattern that contributes to reduced braking distance.

In line with our commitment to measuring, monitoring and reducing our carbon footprint, we conducted a Life Cycle Assessment (LCA) in 2023 ahead of the tyre's launch. The assessment, carried out in accordance with ISO 14040 and 14044 standards, evaluated the environmental impact of the VIP Tyre and calculated the indicators required to determine its Product Carbon Footprint. The LCA applied a systematic methodology to assess impacts across the full life cycle of the tyre, from raw material extraction and manufacturing through to distribution, use and end-of-life.

Upon completion of the assessment, we were able to calculate the carbon footprint of each

individual VIP Tyre. Although retreaded tyres inherently deliver environmental benefits that are not fully reflected in current accounting methodologies, particularly avoided emissions, we made the decision to voluntarily offset the calculated footprint of each VIP Tyre through the purchase of verified carbon credits. As a result, our VIP Tyres are carbon neutral. A carbon credit represents one tonne of CO₂ either not emitted or removed from the atmosphere.



VIP TYRE
Made exclusively for the Dealer network

- Tread designed to reduce braking distance
- Dual-directional tread pattern
- 100% Carbon Neutral
- Drive confidently with optimised grip
- Experience superior traction and handling for safer journeys
- Engineered for longevity with up to 30% improved lifespan

Available in the below sizes:

Size	Svc Desc	Tread
315/80R22.5	156/150K	19mm
295/80R22.5	152/148K	19mm
315/70R22.5	154/150K	18mm

 **v-culug**
For more facts and figures, please visit [v-culug.co.uk](#)

ENVIRONMENTAL CERTIFICATIONS

Continuing our commitment to responsible manufacturing, we seek to align with leading international standards and best-in-class certifications. In 2025, this commitment was reinforced through our achievement of Certified B Corporation status, the formal validation of our Science Based Targets initiative (SBTi) emissions reduction targets, and our ambition to align with the Corporate Sustainability Reporting Directive (CSRD), despite being outside the scope of

mandatory reporting. While not all of these are formal certifications, they reflect our determination to remain at the forefront of sustainability leadership within our industry.



In terms of environmental certifications, we remain ISO 14001:2015 certified for our Environmental Management System, which verifies our compliance with standards related to the remoulding of tyres and associated activities (see Figure 7). We also continue to hold ISO 9001:2015 certification for our Quality Management Systems, affirming that our

retreading processes meet the highest regulatory and operational requirements. Over the past year, between 30% and 55% of the products we sold were certified for their environmental impact, either in terms of the products themselves or the processes used to produce them, increasing from 25-49% in 2024.

Figure 7: Summary of Environmental & Quality Management Certificates

ENVIRONMENTAL CERTIFICATION	DESCRIPTION
ISO 14001	Sets out the criteria for an Environmental Management system that an organization can use to enhance its environmental performance. Certifies Vaculug and operates an Environmental Management System which complies with the requirements of ISO 14001:2015 for the following scope: Remoulding of tyres and associated activities.
ISO 9001:2015	Sets out the criteria for a Quality Management system that an organization can use to demonstrate the ability to consistently provide products and services that meet customer and regulatory requirements. Certifies that Vaculug operates a quality management system which complies with the requirements for the following scope: The manufacture of retread tyres for commercial, industrial and earth moving vehicles, as well as the repair and polyurethane filling of tyres for such vehicles.

Our certifications confirm that we operate in line with recognised industry standards. However, we view compliance as a foundation rather than a ceiling. We see it as our responsibility to go beyond minimum requirements, share best practice and help advance sustainability performance across our sector.

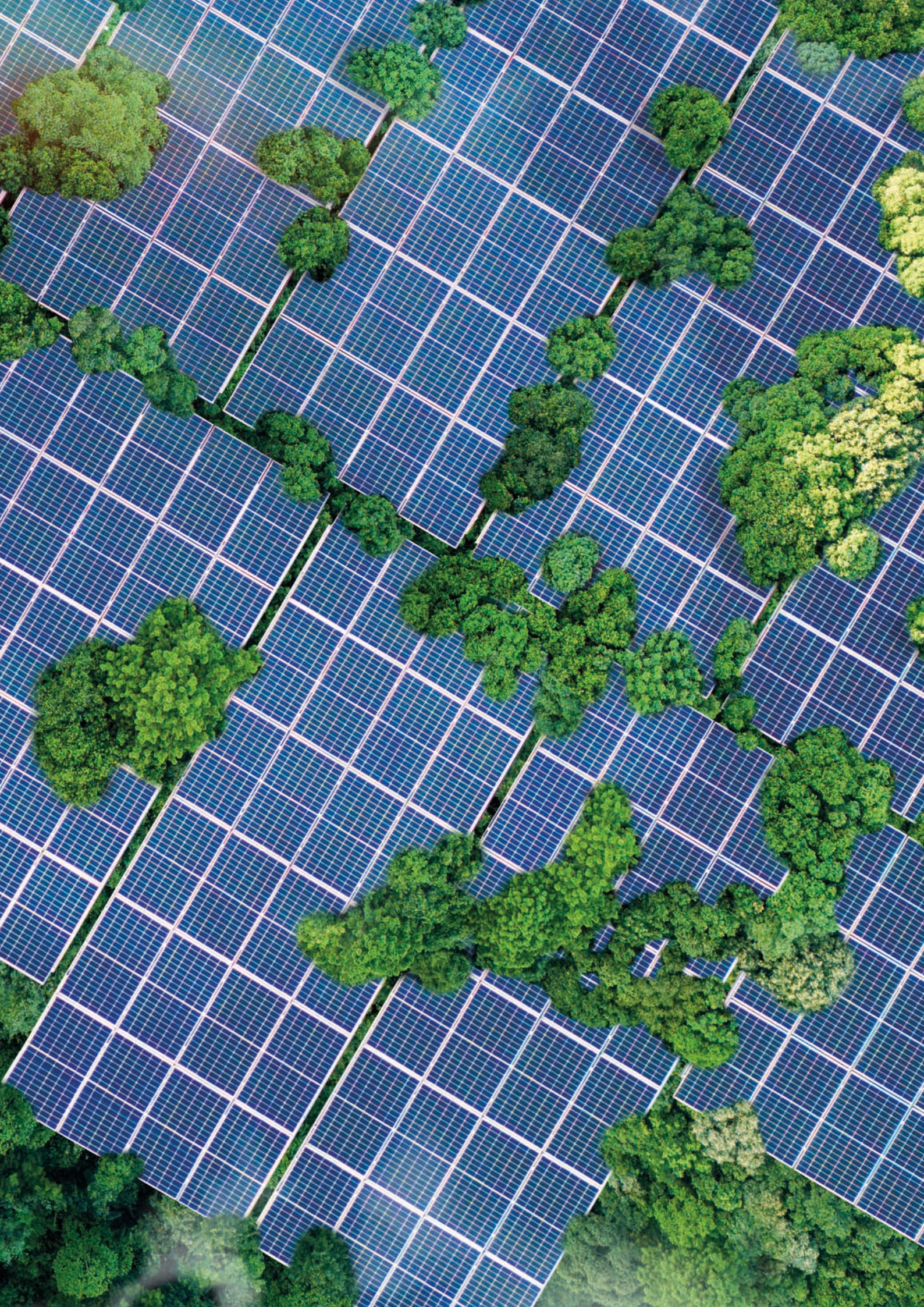
For this reason, we continue to produce an annual Carbon Footprint Assessment Report for each of our customers. This report supports customers in understanding their environmental impact and identifying opportunities for improvement. In 2025, we delivered 156 Carbon Footprint Assessment Reports

to our customers, increasing from 113 in 2024..

“At Vaculug, being a responsible business and a prosperous business are not viewed as being two mutually exclusive ideas. To the contrary, being a responsible business is precisely how we intend to build and grow our business for the future.”

Haarjeev Kandhari, Vaculug Chairman





OUR APPROACH TO REDUCING OUR ENVIRONMENTAL IMPACT

We remain committed to reducing our carbon footprint over the course of this decade. Through our structured decarbonisation roadmap, we are progressing towards our ambition of achieving carbon neutrality by 2030.

Our environmental commitments are regularly monitored through independent auditing and embedded within our Environmental Management System. These commitments are further reinforced through our Certified B Corporation status and alignment with leading reporting standards.

We are regularly monitored through independent auditing for our commitments to the environment such as:

- Minimising waste, using energy efficiently and reducing carbon emissions.
- Consulting with our employees on matters affecting the environment.
- Acting as a responsible neighbour and engaging with local authorities regarding our environmental impact.
- Ensuring all reject casings are disposed of via registered Tyre Disposal Agents and, wherever possible, recycled.
- Encouraging suppliers to address their own environmental impacts through improved procedural policies.
- Addressing environmental considerations relating to the products we distribute.
- Considering environmental impact in all capital investment decisions.
- Testing materials and polymers to improve product efficiency and performance.
- Applying our #SustainableThinking approach to operational and strategic decisions.

From an industry perspective, the primary regulatory authority remains the UK Environment Agency. In 2022, the Environment Agency awarded Vaculug an A-Rating for compliance with environmental standards and regulations, making us the only retreader globally to achieve this rating, a distinction we continue to maintain.

As part of our medium- to long-term objectives, we have continued strengthening procurement processes in alignment with our sustainability strategy. Building on the policy introduced in 2023 to ensure marketing merchandise is sourced from sustainable and recycled materials where possible, we have further embedded environmental considerations into supplier engagement and contract review processes. Our aim is to increase collaboration with suppliers who share our commitment to responsible practices.

On the manufacturing side, we continue to assess and integrate raw materials that reduce environmental impact without compromising performance. Following initial testing in 2023, silica derived from rice husks has progressively been incorporated into selected compounds, supporting durability improvements while utilising a renewable by-product resource.

When engaging our supply chain more broadly, we remain focused on improving transparency, strengthening environmental criteria in procurement decisions and encouraging continuous improvement among our partners.

LEADING BY EXAMPLE

As a responsible business, we aim to lead by example by embedding sustainable thinking across our organisation and engaging our employees in driving positive action. One notable example is our “Turn Off the Light, Keep the Future Bright” initiative, which promotes simple, energy-conscious behaviours across our operations.



Martin is pictured receiving his award from Cell Manager, Dave Gibbs.

We were pleased to recognise Martin Eales as the winner of the initiative. He was nominated for his proactive approach to environmental improvements in preparation for a key audit, demonstrating strong ownership and commitment to sustainability in practice.

This initiative highlights the important role individual actions play in supporting our wider environmental objectives and reflects our belief that meaningful progress is driven by the collective efforts of our Vaculug family.

CASE STUDY

Vaculug paves the way for sustainable tyre innovation: Silica from rice husk technology

In November 2023, Vaculug announced a bold stride towards sustainable manufacturing with the initiation of a production process that is testing the use of silica, composed by two parts of a rice husk. This progressive and innovative experiment underscores Vaculug's commitment to environmental responsibility and technological advancement. Vaculug aims to harness the benefits of silica to enhance the performance and environmental profile of tyres.

Rice husk, also known as rice hull, is the

outer cover of the rice grain that is removed during the milling process. This natural by-product provides an eco-friendly dimension to the tyre production process.²² As rice is one of the most essential food crops, repurposing this by-product enhances tyre composition while also preventing additional waste in the food manufacturing process.²³

Following a test phase in 2023, which showed no signs of negatively impacting tyre processing, quality or performance, in 2024 Vaculug began to integrate the silica technology into some compounds. The testing phase was a pivotal step in ongoing efforts to introduce innovative and eco-friendly alternatives without compromising on the high performance and quality that customers expect from Vaculug tyres.



²² Source: <https://www.sciencedirect.com/topics/engineering/rice-husk>, accessed February 2026.

²³ Source: [https://www.sciencedirect.com/science/article/pii/S1878535222004026#:~:text=Ltd.%2C%20India\)%20is%20used,used%20to%20improve%20silica%20dispersion.,](https://www.sciencedirect.com/science/article/pii/S1878535222004026#:~:text=Ltd.%2C%20India)%20is%20used,used%20to%20improve%20silica%20dispersion.,) accessed February 2026.

Exploring Pyrolysis for energy production from tyre waste

As part of our continued commitment to innovation and environmental responsibility, Vaculug has been exploring Pyrolysis technology as a sustainable solution for the management of rubber waste generated through our operations. Pyrolysis is an advanced thermal process which heats waste rubber materials in the absence of oxygen, allowing them to be converted into valuable by-products such as gas, oil, recovered carbon black and energy. Research has shown that this process offers significant potential for both waste reduction and resource recovery, supporting circular economy principles²⁴.

Following an initial assessment and feasibility review in 2025, Vaculug began investigating the

integration of Pyrolysis technology into its wider sustainability strategy, with further testing and evaluation continuing into 2026. A key focus of this initiative is the opportunity to harness the energy generated during the Pyrolysis process in the form of steam, which can then be used to help power equipment and manufacturing operations within our factory. This innovative approach has the potential to reduce waste sent for disposal whilst also lowering reliance on conventional energy sources.

The initiative represents another progressive step in Vaculug's journey towards more sustainable manufacturing and waste management practices. By exploring ways to recover value and energy from end-of-life rubber materials, Vaculug aims to further strengthen the environmental profile of its operations without compromising on efficiency or operational performance.



²⁴ Source <https://www.sciencedirect.com/science/article/pii/S0048969723056061>, accessed February 2026

A LOOK AHEAD - OUR ENVIRONMENTAL PROMISES FOR THE WAY FORWARD

As part of our ongoing efforts to minimise environmental impact, we are further refining and formalising our approach to waste management,

resource efficiency and recycling. We are also updating our procurement policies to ensure our suppliers align with our ESG policy standards. We continue to be committed to applying our sustainable thinking mind set along our whole supply chain and have made progress towards achieving our goal of 50% of procurement spent with supplies with a verified ESG policy.

OUR ENVIRONMENTAL COMMITMENTS	HOW WE ARE TRACKING
We are committed to achieving carbon net-zero (scopes 1 and 2) across our business operations by 2030.	Ongoing. We have a strategy and action plan in place to work towards this target.
We are committed to achieving carbon neutrality across our business operations by 2030.	Ongoing.
We are committed to completing a third-party audit of our carbon assessment by August 2023.	Completed in 2023.
We are committed to submitting science-based targets (SBTi) by August 2023.	Submitted in August 2023. Targets validated by the SBTi in 2025.
We will have a full hybrid fleet of company vehicles by 2025.	We have completed the transition of our company car fleet to hybrid vehicles
We will invest in eight fast-charging stations (in 2022).	Completed, we now have eight fast-charging stations installed in 2023.
We will continue to measure and track our water consumption with the aim of reducing our usage year over year.	In 2025, our total water consumption was 3,715 cubic metres (m³). This represents a significant reduction compared to 2024, when water usage totalled 5,061 m³.
By 2025, we will target at least 50% of procurement spent with supplies with a verified ESG policy.	As of 2025 this target has been achieved
In 2023, we will aim to support SDG 15 (Life on Land) through various biodiversity initiatives.	Ongoing. We have engaged in various biodiversity initiatives in 2025 in line with our goal to support SDG 15 (Life on Land)
We will aim to further improve our sustainable facilities & manufacturing practices by exploring renewable energy options, such as solar panels and/or more efficient practices, such as installing batteries that charge overnight.	Ongoing. We are testing renewable resources (raw materials and fuel). We have also explored and invested in more energy efficient manufacturing equipment as well as pyrolysis.
We will continue to improve our industrial processes to earn energy certifications.	Ongoing.







10

GOOD GOVERNANCE FOR A RESPONSIBLE BUSINESS

Our sustainable transformation journey began under the leadership of our purpose-driven chairman. With the continued support of our leadership team and a clearly defined sustainability strategy, we have made steady progress towards the ambitious objectives set for this decade.

Our sustainability strategy serves as a structured roadmap guiding our medium and long-term priorities. We recognise, however, that strategy must evolve alongside our business and the wider regulatory and market landscape. For this reason, we continuously review and refine our sustainability framework to ensure it remains robust, relevant and aligned with emerging standards and expectations.

As we move into the next phase of our journey, we are currently in the process of renewing and strengthening our sustainability strategy for the coming years, with the support of our external advisors. This review ensures that our targets, governance structures and implementation mechanisms remain credible and measurable.

We understand that ambitious commitments require bold action.

Our first Sustainability Report, published in 2023 and covering our 2022 baseline year, set out bold targets for the decade ahead, including our ambition to achieve carbon neutrality by 2030. We remain firmly committed to these objectives.

Over the past few years, we have strengthened our governance framework to support delivery of our strategy. In 2023, we formalised key policies through the publication of our ESG Policy and Code of Ethics. We have continued collaborating with sustainability experts and third-party specialists to measure, monitor and validate our environmental performance, including carbon emissions.

Strong governance remains fundamental to achieving our long-term sustainability goals. By embedding oversight, accountability and expert guidance into our decision-making processes, we ensure that our commitments are supported by action and continuous improvement.





COMMITTED TO REINFORCING OUR SUSTAINABLE THINKING AND INDUSTRY LEADERSHIP, WE APPOINTED OUR FIRST CHIEF SUSTAINABILITY ADVISOR.

In May 2023, we appointed sustainability expert, thought leader and academic Paolo Taticchi as our Chief Sustainability Advisor. Paolo is Professor of Strategy and Sustainability at UCL School of Management, a top 10 global business school. Working collaboratively with us, he supported the creation of our first Sustainability Strategy and its 2026 update, as well as the publication of our first Sustainability Report in 2022.

Paolo's research and advisory work focus on the sustainable transformation of businesses. With a strong commitment to helping organisations embed sustainability across their operations, he continues to support us in the implementation and evolution of our sustainability strategy.

Under Paolo's guidance, our leadership team remains firmly committed to achieving our ambitious objectives and building a responsible, competitive and resilient business for the future.

"I am excited to join Vaculug as their Chief Sustainability Advisor. Vaculug is not only a leading retreading company in the UK and Europe, but it is a company that has made a real commitment to sustainability. The company has set ambitious objectives for the coming years, which really sets it apart from other organisations in the sector. I look forward to continuing to work with Vaculug as they continue to work towards their mission to change the world for better."

Paolo Taticchi, Professor of Strategy & Sustainability at UCL School of Management

We remain fully committed to our environmental, social and governance ambitions and our long-term vision of building a more responsible and resilient business. With Paolo's continued guidance, we are sharpening our focus on the areas where we can deliver the greatest measurable impact. By strengthening our governance structures, technical expertise and internal capabilities, we remain dedicated to accelerating progress against the ambitious targets we have set for this decade.

Effective delivery of our sustainability agenda requires disciplined measurement and oversight.



Paolo Taticchi, OMRI, Professor in Strategy and Sustainability & School Deputy Director (MBA, Global Engagement, Executive Education) at UCL School of Management joins Vaculug as Chief Sustainability Advisor.

In May 2023, we formally welcomed Professor Paolo Taticchi as our Chief Sustainability Advisor. We are proud to continue working with Paolo as we advance towards our ambitious medium and long-term sustainability objectives.

Paolo Taticchi is an award-winning academic, consultant, author and speaker based in London. He is Professor of Strategy and Sustainability and Deputy Director at University College London's School of Management, where he also co-directs the UCL Centre for Sustainable Business. He holds a Visiting Professorship at Imperial College London and a Research Professor appointment at New York University.

A globally recognised expert in sustainability transformation, competitive strategy and the future of cities, Paolo has built an extensive academic and advisory career spanning multiple continents. He regularly teaches at leading business schools across Europe, Africa, Asia and the Americas, and has delivered executive education to thousands of managers and Fortune Global 500 executives in over 20 countries.

His internationally recognised research on corporate sustainability and performance measurement has resulted in more than 50 academic journal publications and several influential books. His recent publications include *How to Be Sustainable: Business Strategies for Leading Change* (2025), *Sostenibilità e Innovazione: La Rivoluzione del Business* (2025), *Sustainable Transformation Strategy* (2023), and *Disruption* (2023).

Beyond academia, Paolo is a highly sought-after keynote speaker, having delivered more than 250 talks globally across academic, governmental and industry forums. He has consulted organisations of all sizes across Europe, North America, Africa and Asia, and currently advises or serves on advisory boards in Canada, Italy, Kenya, the UK and the United States. In recent years, he also advised the Italian Ministry for the Environment.

An entrepreneur and intrapreneur, Paolo has co-founded ventures in engineering, technology and consulting, and has led major educational initiatives, including MBA programmes, international summer schools and global internship schemes. Passionate about mentoring and social impact, he has supported projects in Ethiopia, Kenya and Italy.

Paolo's work has received significant international recognition. His accolades include being named to the Thinkers50 Radar List (2025), receiving the Stefan A. Riesenfeld Memorial Award (2024), and being awarded Knight of the Order of Merit of the Italian Republic. His research and thought leadership have been featured widely in international media, including the Financial Times, Forbes, The Economist, Sole 24 Ore, BBC and CNN.

Under Paolo's continued guidance, our leadership team remains firmly committed to delivering our sustainability strategy, strengthening governance structures and ensuring that our ambitions are supported by measurable action and long-term value creation.

To ensure we track and manage our environmental performance rigorously, we continue to work with Tecno International, a leading carbon assessment consultancy specialising in emissions measurement in line with the Greenhouse Gas (GHG) Protocol. In 2023, Tecno supported us in conducting our

comprehensive carbon assessment based on our 2021 baseline year and in developing a structured decarbonisation roadmap aligned with our carbon neutrality ambition for 2030.

Strengthening internal leadership has also been a key priority. Following succession planning work undertaken in 2024, we appointed Mark Holloway as our Head of Sustainability in 2025. This role provides dedicated stewardship of our sustainability strategy, ensuring coordinated implementation across departments and reinforcing accountability at senior management level.

Together, through strong governance, expert advisory support and enhanced internal leadership, we are embedding sustainability more deeply into our operations and decision-making processes.

Over the past few years, we have also engaged with external sustainability advisors to support the implementation of our strategy. Sustainability and Risk Management expert Antimo Matano has played a key role in overseeing programme management and delivering core ESG initiatives. Antimo led the development of our Code of Ethics and designed sustainability and DEI-focused training programmes for employees and senior management. He also supported us throughout various certification application processes, ensuring alignment with our ESG strategy and long-term commitments.



In 2024, we engaged sustainability consultant Melina Corvaglia-Charrey to support the development of our annual Sustainability Report and disclosure efforts. Building on the foundations established during that collaboration, in 2025 we have continued to strengthen our reporting processes, further enhancing the quality, structure and transparency of our disclosures. Part of responsible governance

involves transparency in the form of reporting and communicating both our progress and the areas where improvement is required. We do this through our annual Sustainability Report; however, we recognise that a single yearly publication is not sufficient.

Committed to keeping our stakeholders informed throughout the year, we continue to actively communicate our sustainability initiatives, milestones and developments through our communication channels, including LinkedIn, X (formerly Twitter), Facebook and our sustainablethinking.earth website, which we launched in November 2023. Our sustainablethinking.earth website domain underscores the core values that drive our company.

We remain deeply committed to promoting sustainable thinking across every aspect of our business, and we hope to inspire others to share their own journeys and progress along the way.

Sustainable thinking is not simply an aspiration; it actively shapes our tyre retreading and fleet management solutions. We continue to invest in innovative technologies, materials and operational improvements that extend tyre lifespan and enhance efficiency, reducing reliance on new tyre production. In doing so, we help lower the environmental footprint of the transport sector while delivering economic value and responding to evolving regulatory and market expectations.

At Vaculug, sustainability is embedded within our culture, governance and long-term strategy.

Achieving Certified B Corporation status in 2025 further reflects our commitment to integrating environmental and social responsibility throughout our operations. We believe that being a responsible business requires every employee to embody our values and apply sustainable thinking in daily decisions and actions.

Our recruitment and hiring policies, outlined in Section 7 of this report, define how we conduct our business and set clear expectations for behaviour

and accountability. These policies also help us attract individuals who share our commitment to responsible and ethical business practices. In alignment with this approach, our Code of Ethics clearly outlines standards of conduct for all employees.



First formalised and published in March 2023 (see Appendix 3), our Code of Ethics continues to guide our organisation. It covers key areas including our values; compliance with laws and regulations; sustainability; human rights; fair labour practices and working conditions; discrimination and harassment; health, safety and environment; fair competition and business conduct; anti-corruption; gifts and hospitality; protection and proper use of company assets; confidentiality and information security; anti-fraud; conflicts of interest; and privacy and data protection.

Each policy is rooted in our company values. Through the relationships we maintain with customers, partners and suppliers, we remain committed to acting ethically, transparently and with integrity in all of our business dealings.

We also remain dedicated to ensuring no occurrences of slavery are occurring in our supply chain as detailed by our ESG and Modern Slavery and Human Trafficking Policy.

We have a zero-tolerance approach to modern slavery and human trafficking

At Vaculug, we uphold a zero-tolerance approach to modern slavery and human trafficking across our operations and value chain. Respect for human rights is embedded within our governance framework and reflected in our policies, leadership oversight and everyday business practices, as well as our Annual Slavery and Human Trafficking Report.

In addition to our Code of Ethics, we maintain standalone Quality, Environmental, Health & Safety policies, standards and procedures designed to ensure a safe, fair and transparent working environment. All employees are required to adhere to these policies upon joining the organisation, reinforcing our shared responsibility to operate with integrity.

Our company's vision, mission and core values continue to guide our approach to responsible business. We firmly believe that by prioritising the well-being of our people and communities, we create the conditions for long-term business resilience and prosperity.

Over recent years, we have strengthened and formalised our governance framework. Following the publication of our Code of Ethics in 2023 and our formal ESG Policy, we have continued embedding these principles across our organisation, elevating awareness and accountability around ESG considerations at every level. Our ESG Policy outlines our approach to reporting, disclosure, stakeholder engagement, business practices and board-level oversight, ensuring ESG considerations are integrated into strategic decision-making.

In 2025, Vaculug achieved Certified B Corporation status, reinforcing our commitment to meeting rigorous standards of social and environmental performance, transparency and accountability. This milestone strengthens our governance framework and provides a structured foundation for continuous improvement.

Although ESG disclosure requirements in the UK primarily apply to larger organisations, regulatory expectations across the UK and the EU continue to





evolve rapidly. For this reason, we are proactively reviewing and integrating leading international standards, including exploring future alignment with the most ambitious standard the ESRS, part of the Corporate Sustainability Reporting Directive (CSRD), despite not being subject to mandatory compliance. We believe that adopting best-in-class frameworks ahead of regulatory obligation strengthens our resilience, credibility and long-term competitiveness.

We are also committed to ensuring that our sustainability ambitions remain aligned with the most forward-looking standards and expectations across our industry. As part of this commitment, we are currently in the process of renewing and refining our ESG Strategy to reflect emerging regulatory developments, stakeholder expectations and our

evolving business priorities. This renewal process will further strengthen the integration of ESG considerations into our operational, financial and governance decision-making.

Transparency remains central to our approach. By openly sharing our goals, progress and areas for improvement, we aim to contribute positively to the evolution of responsible business practices within our sector.

As outlined in our “Vaculug Limited Quality, Environmental, Health & Safety Policy,” ultimate responsibility for compliance with our governance standards and certifications rests with our Managing Director, supported by our senior leadership team and our Head of Sustainability.



SUSTAINABILITY STARTS AT THE TOP



At Vaculug, responsible leadership begins at the very top of our organisation. Our Chairman, Haarjeev Kandhari, continues to play a defining role in shaping the strategic direction, values and long-term vision of the business. Haarjeev has reaffirmed the importance of business as a lever for sustainability and social impact and vice versa.

In 2025, Haarjeev was recognised as Best Company Director at the Recircle Awards, an industry accolade that celebrates outstanding leadership, innovation and contribution to the circular economy. This recognition reflects not only his commercial acumen, but also his longstanding commitment to sustainable manufacturing and responsible business practices.

Further underscoring his contribution to industry and society, Haarjeev was also awarded the Honorary Freedom of the City of London, one of the City's oldest and most distinguished

honours. This award recognises individuals who have made a significant impact within their sector and the wider community.

Under his stewardship, Vaculug has strengthened its position as Europe's largest independent retreader, while embedding sustainable thinking across every level of the organisation. His leadership continues to balance commercial growth with long-term environmental responsibility, ensuring that Vaculug remains resilient, innovative and purpose driven as we look to the future.



OUR ESG LEADERSHIP

Our sustainability strategy continues to define our ESG objectives in alignment with the Tire Sector SDG Roadmap, reinforcing our position as the first and only independent retreader formally aligned with leading multinational organisations in the industry. As the regulatory and sector landscape evolves, we regularly review our progress against the industry roadmap, ensuring our approach remains forward-looking, impact-driven and focused on continuous improvement.

With this 2025 Sustainability Report, we reaffirm our commitment to contributing to the United Nations Sustainable Development Goals (SDGs), maintaining focused engagement with SDGs 1 (No Poverty), 2 (Zero Hunger), 3 (Good Health and Well-being), 4 (Quality Education), 8 (Decent Work and Economic Growth), 9 (Industry, Innovation and Infrastructure), 10 (Reduced Inequalities), 12 (Responsible Consumption and Production), 13 (Climate Action), 15 (Life on Land), and 17 (Partnerships for the Goals).

The inclusion of SDG 15 in 2024 marked an important milestone, reflecting our growing biodiversity initiatives and local environmental partnerships. In 2025, we continued to build on these efforts, strengthening our community engagement and environmental stewardship projects.

Throughout our ESG initiatives, we continue to demonstrate how our circular business model contributes directly to responsible production,

resource efficiency and emissions reduction within the transport sector. This report highlights the progress achieved over the past year while transparently outlining the areas where further work is required.

We firmly believe that transparency underpins effective governance. As ESG disclosure requirements continue to evolve across the UK and EU, we remain committed to voluntarily aligning with leading international standards and best practices. In 2025, this includes reviewing alignment considerations with the European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting Directive (CSRD), despite not being subject to mandatory compliance.

Our commitment to accountability is further reinforced through our status as a Certified B Corporation, which requires rigorous assessment of governance, environmental and social performance, and through the validation of our science-based emissions reduction targets by the Science Based Targets initiative (SBTi). Together, these frameworks provide structured oversight and ensure that our sustainability ambitions remain credible, measurable and aligned with forward-looking global expectations.

Our annual Sustainability Report reflects this commitment: to openly communicate our ambitions, performance and challenges, and to ensure sustainability remains embedded within the strategic direction of Vaculug.

#SUSTAINABLETHINKING FORUM

We continue to believe in the importance of sharing best practice and knowledge across the sector. We remain committed to leading sustainable transformation within our industry, and it was this determination that led to the launch of our Sustainable Thinking Forums in March 2023. Since then, we have hosted forums each year, bringing together employees, partners, customers and industry experts to discuss the issues shaping the future of transport and manufacturing.

In May 2025, we hosted our 5th Sustainable Thinking Forum at the National Space Centre, a venue that reflects innovation and long-

term ambition. The event also formed part of our 75th year in business, marking both our heritage and our continued focus on the future of sustainable transport.



The forum brought together leading voices from across the tyre, transport and automotive sectors.

Our very own Glenn Sherwood opened the event with a presentation on meeting today's challenges while preparing for tomorrow's future, highlighting the environmental benefits of retread tyres. Jayne Phillips of Murfitts Industries and Guy Heywood of Hankook Tyre UK shared insights into tyre life-cycle innovation, circular economy solutions and sustainable mobility. Dennis Evans, co-author of "The Road to Zero Emissions: The Future of Trucks, Transport and Automotive Industry Supply Chains", addressed the evolving role of electrification, automation and digitalisation within the sector. Josh Spencer of Ford & Slater discussed progress in zero-emission vehicles and EV infrastructure, while Ian Machan of The Advanced Services Group explored outcome-based services and data-led sustainability strategies. The day concluded with an interactive workshop led by Chris Bull of Hireco World.

As with previous forums, the event provided a platform for collaboration, knowledge-sharing and innovation across the industry.

The Sustainable Thinking Forums continue to serve as a space where challenges and opportunities can be openly discussed, supporting the development of practical solutions that create value for our customers and partners.

As a British manufacturing company celebrating 75 years in business, we recognise the importance of community and collaboration. Our sustainable thinking mindset continues to guide the work we do together to elevate sustainability across our sector.







WE ARE ADVOCATES FOR OUR INDUSTRY AT A POLICY LEVEL

As Europe's largest independent retreader, we recognise that our responsibility extends beyond manufacturing. We are proud advocates for our industry, pioneering our sector at a policy level. In 2025, we significantly strengthened our advocacy efforts through a series of targeted political and regulatory engagements designed to elevate the role of remanufacturing within national strategy.

PUBLIC PROCUREMENT REFORM

In 2025, Vaculug submitted a formal response to the Cabinet Office consultation, Public Procurement: Growing British Industry, Jobs and Skills, calling for a mandate requiring public sector fleets to use retreaded tyres.

Our submission, the first of its kind, set out the economic and environmental case for reform. Retreaded tyres, manufactured to the same safety standards as new tyres, can:

- Reduce purchase costs by up to 50%
- Lower lifetime cost per mile by 30–50%
- Use 70% less raw material than new tyres
- Prevent approximately 115kg of CO₂ emissions per tyre

The UK retreading sector contributes an estimated £230 million annually to the economy and supports over 5,500 skilled jobs.



Our Managing Director, Jorge Crespo, stated:

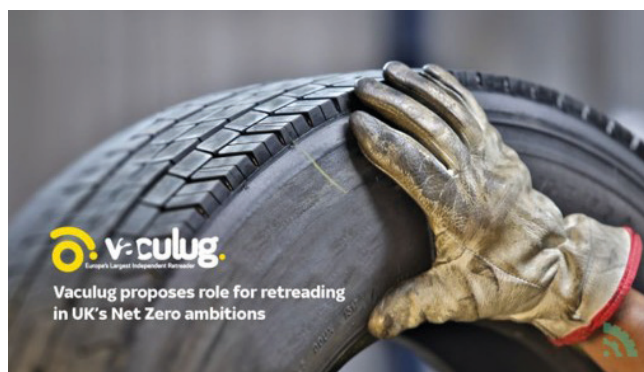
"Mandating retreaded tyres in public procurement is a win-win-win for the economy, the environment and the UK's industrial base. It represents a strategic policy realignment that supports British manufacturing while accelerating progress towards Net Zero. [...] "It isn't just a cost-cutting measure; this would be a strategic policy re-alignment to match the UK's Net Zero ambitions, support thousands of skilled jobs in British manufacturing and position this government as a leader in sustainable public procurement. It is a cost-free policy change that simply requires amends to the procurement paperwork. The evidence is clear and the international precedent is well-established. Now is the time for the UK to make the change."

Jorge Crespo, Managing Director, Vaculug

NET ZERO ALL-PARTY PARLIAMENTARY GROUP (APPG)

We wrote to the Net Zero APPG to offer Vaculug's expertise in supporting the UK's transition to net zero, demonstrating how remanufacturing delivers practical, scalable emissions reductions within the transport sector.

As a pioneer in the circular economy, we believe businesses such as ours are essential to delivering cost-effective solutions aligned with the UK's climate objectives.



LABOUR PARTY CONFERENCE ENGAGEMENT

In October 2025, Vaculug representatives attended the Labour Party Conference, engaging

in discussions on sustainable growth, logistics, industrial strategy and transport innovation.

Sessions including “Growing Cambridge to Grow the East, Is Logistics the Answer to Growth?”, and the “Transport Tech Showcase” provided insight into the evolving policy landscape and reinforced the importance of embedding circular manufacturing within national strategy.



THROUGH INDUSTRY COLLABORATION & REPRESENTATION

Alongside our policy engagement, we are proud to collaborate with leading industry associations dedicated to strengthening British manufacturing, advancing circular economy principles and supporting sustainable transport. Through membership, sponsorship and leadership representation, we contribute to shaping a more resilient and forward-looking sector.

CE TRANSPORT LAW

In 2025, Vaculug was proud to collaborate with CE Transport Law to support industry engagement and promote best practice across the transport sector.

Through participation in CE Transport Law’s Breakfast Club event, Vaculug shared its expertise in tyre fleet management, wheel security and operational safety alongside a range of industry specialists and transport professionals. The event provided an excellent platform for insightful discussions focused on compliance, risk reduction and improving safety standards within fleet operations.

As part of this collaboration, Vaculug’s Craig Rudkin also featured as a guest on the CE Transport Law podcast following his presentation on Wheel Security at the Breakfast Club. The discussion explored key industry challenges, best practice approaches and the importance of proactive tyre and wheel management in maintaining safe and compliant transport operations.

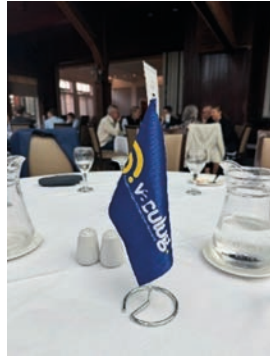


Through partnerships such as this, Vaculug continues to support knowledge sharing across the sector while reinforcing its commitment to road safety, compliance and responsible fleet management.



TYRE RECOVERY ASSOCIATION (TRA)

We continue to be a proud member of the Tyre Recovery Association (TRA), which represents the UK's tyre recovery sector and promotes best practice across an industry that processes over 40 million used tyres annually.



In 2025, we sponsored the TRA Conference, where our Managing Director, Jorge Crespo, addressed the evolving regulatory landscape and highlighted the importance of recognising retreading as remanufacturing. By extending the life of tyre casings multiple times, remanufacturing conserves raw materials, reduces energy use and prevents unnecessary waste, while supporting skilled UK manufacturing jobs.

Through our ongoing collaboration with the TRA, we remain committed to promoting responsible tyre recovery and advancing circular economy solutions across the sector.



BRITISH TYRE MANUFACTURERS' ASSOCIATION (BTMA)

Vaculug continues its active engagement with the British Tyre Manufacturers' Association (BTMA), the national body representing tyre manufacturers and retreaders in the UK and advocating for policies that support safety, sustainability and fair trade.

In 2024, our Chairman, Haarjeev Kandhari, was appointed as the BTMA's first Sikh board member - a historic milestone reflecting the association's commitment to diversity and inclusive leadership. Since this appointment, we have continued working closely with the BTMA to promote the environmental and economic value of retreading and to ensure the industry moves in a positive and progressive direction.

Through the BTMA, we support initiatives aimed at decarbonisation, waste reduction, circular practices and greater recognition of remanufacturing within national policy and procurement frameworks.



MAKE UK



In 2025, Vaculug proudly joined MAKE UK, the UK's leading manufacturers' organisation representing thousands of businesses across the country. MAKE UK champions the interests of British industry, influences government policy, supports

skills development and promotes innovation and competitiveness across the manufacturing sector.

As a business celebrating 75 years of British manufacturing, this partnership strengthens our voice within national industrial discussions. Through MAKE UK, we contribute to policy dialogue and support legislative frameworks that enable sustainable, circular and resilient manufacturing.

LOGISTICS UK

We also became an Associate Supplier Member of Logistics UK, one of the UK's leading business groups for transport and logistics.

This membership enables us to engage directly with fleet operators, logistics providers and policymakers, contributing to discussions around decarbonisation, operational efficiency and sustainable procurement across the transport sector.

LOGISTICS UK

CELEBRATING NATIONAL MANUFACTURING DAY

As the UK's leading independent retreader, we were proud to mark National Manufacturing Day 2025: a moment to recognise and celebrate the skill, innovation and dedication of our manufacturing teams and partners.

With 75 years of British manufacturing behind us and a steadfast commitment to sustainable production, we remain determined to champion the future of our industry: one that is cleaner, greener and built to last



PURPOSE OVER PROFIT

Although we have stated this in our previous reports, we believe it is worth restating that our business decisions are driven by our values. The decisions we make during difficult times are no exception. When the war between Russia and Ukraine broke out in early 2022 - despite any short, medium or long-term impacts to the business – our Chairman made a bold announcement: Vaculug would no longer be sourcing raw materials from Russia – ever again.

Given Russia is one of the largest suppliers to the global rubber industry, this was no

small decision. Our Chairman's unwavering decision exemplifies how our business is guided by our values – above everything else.

Our values are also what drove our leadership team's decision to introduce a policy in response to the conflict in the Democratic Republic of the Congo in 2022. The policy, titled "Conflict Minerals and Cobalt Sourcing", outlines our company's commitment to protecting and respecting human rights, and ensuring that no minerals or cobalt sourced from conflict zones are used in our products.

OUR GOVERNANCE COMMITMENTS	HOW WE ARE TRACKING
We remain committed to updating and publishing our Sustainability Report on an annual basis, to report on our progress and to inform our stakeholders along the way.	Published our annual Sustainability Reports for 2022, 2023, 2024 & 2025.
We are committed to strengthening our governance structure with the appointment of our Chief Sustainability Advisor.	Appointed in May 2023.
We are educating and training our employees on sustainability, and we are working with third-party advisors to implement our Sustainability Strategy and Road Map, which outlines our 3-year plan (2022-2024).	Conducted several training and sustainability focused workshops for employees, customers and partners.
We will continue to monitor the alignment of our work with the Tire Sector SDG Roadmap.	Ongoing.
We are committing to tying performance on key ESG metrics to executive remuneration from 2023.	As of 2025, 50% of c-suite compensation is tied to ESG metrics.
We will put processes in place to coordinate and collect ESG data, for the purpose of developing annual sustainability assessments and reporting.	Established a structured ESG data collection process covering key environmental, social and governance metrics, including emissions, waste, energy use, safety, training, retention, board composition and ethics reporting
We will continue to develop, improve, and implement our standalone ESG policies, starting with our Code of Ethics.	Formalised and published in March 2023.
We will put processes in place to ensure due diligence on the part of our suppliers and business partners all along our value chain.	Implemented a formal supplier due diligence framework covering labour practices, health and safety, environmental management and ethical conduct. Through supplier visits, audits and regular ESG reporting, we strengthened supply chain oversight, improved risk visibility and supported continuous improvement with partners aligned to our sustainability values.

A MORE SUSTAINABLE ENVIRONMENT IS POSSIBLE



At **Vaculug**, we are strongly committed to become carbon neutral by 2030. This means that greenhouse gasses produced by our activities will be balanced by the amount removed from the atmosphere. By doing this, we recognise the importance of becoming more ecological every day.







11

DRIVEN BY INNOVATION

“Innovation has been ingrained in our cultural DNA for the past seven decades. It is what sets us apart and it is what will lead us towards creating a sustainable and prosperous future”.

Jorge Crespo, Managing Director of Vaculug

Innovation has defined Vaculug for over 75 years. Since our founding in 1950, we continue to evolve, not simply to keep pace with industry change, but to shape it.

Following our ownership transition in 2018, this commitment was further embedded into our core values and strengthened through our Sustainable Thinking approach.

Today, as we celebrate more than three quarters of a century in business, innovation remains central to how we operate, compete and lead. Over the decades, Vaculug has been at the forefront of multiple industry-first products and services that reflect our dedication to manufacturing excellence, safety and performance. Each advancement has been driven by a clear objective: to solve real-world challenges for our customers while enhancing sustainability across our value chain.

In 2025, innovation at Vaculug is no longer viewed solely through a product lens. It is integrated into governance, operations, digitalisation and sustainability leadership. Our journey towards sustainable transformation has matured into a

structured, measurable and accountable approach. From advanced manufacturing processes and renewable material trials to digital fleet management solutions and data-driven decision-making, innovation underpins our long-term strategy.

Guided by our comprehensive sustainability framework and strengthened by our recent achievement of Certified B Corporation status, we approach innovation with responsibility and purpose. We innovate not because regulation requires it, but because we believe progress must be proactive, principled and future-focused.

Our manufacturing and operational teams continue to push boundaries through research, process optimisation and technology upgrades. In 2025, this includes:

- Continued investment in sustainable solutions and advanced retreading technologies to enhance durability and performance.
- Expansion of digital tools and apps to optimise casing collection, fleet monitoring and service efficiency.
- Ongoing trials of renewable and lower-impact raw materials.
- Operational efficiency improvements across our facilities, supporting energy and resource reduction targets.
- Growth and expansion of our operations

Under the guidance of our sustainability first minded leadership, and with the appointment of a new Head of Sustainability, innovation is increasingly aligned with measurable environmental and social outcomes. This ensures that operational excellence and responsible business practices move forward together.



INVESTING IN OUR INFRASTRUCTURE: OTR CENTRE OF EXCELLENCE

As part of our ongoing commitment to sustainable innovation and operational excellence, Vaculug opened its new OTR Centre of Excellence in the Southeast of England, strengthening our capability to serve the heavy equipment and off-the-road (OTR) market.

This strategic investment enhances our service offering through faster turnaround times, improved logistics efficiency, and advanced tyre processing technology. The facility operates as a key regional hub, enabling 24/7 distribution, same day click & collect, tyre pressing services, over 1,000 tyres in stock, and exchange wheel assemblies for leading global brands.

A key feature of the centre is the enhanced Tyrfil recycling process, which supports our circular economy approach by reducing waste and reusing

up to 50% recycled material in every tyre fill, significantly contributing to material efficiency and environmental performance.

"The new depot is a major milestone for Vaculug. It strengthens our position in the OTR market while supporting our sustainability commitments. We are better equipped than ever to meet the demands of our customers and help them keep their operations running smoothly."

Michael Evans, Operations & OTR Director

The OTR Centre of Excellence represents a key step in Vaculug's continued investment in infrastructure, technology and sustainable service delivery. It reinforces our commitment to innovation, customer support and greener operational practices, ensuring critical industries benefit from reliable and environmentally responsible tyre solutions..



Maintaining our position as Europe's largest independent retreader requires continuous reinvestment in technology, people and systems. By modernising our manufacturing equipment,

strengthening our digital capabilities and empowering our teams through training and cross-functional collaboration, we continue to enhance the quality and resilience of our business.



GROWING OUR REACH: THE ACQUISITION OF TYREFAIR

In early 2025, we were pleased to complete the acquisition of Tyrefair, based in Kinross, Scotland, a strategic move that extends our service network further north and strengthens our ability to serve customers across the UK with greater speed and efficiency. Since joining the Vaculug family, the business has already grown by 25%, a testament to the strength of the Tyrefair team and the opportunity that exists in the Scottish market. Our ambition is clear: to double the business within a year and then double it again.

This acquisition is about more than geographic reach. It is part of a deliberate growth strategy centred on expanding through partnerships and acquisitions that allow us to serve our customers better, faster and greener. As we continue to grow, we remain committed to ensuring that every addition to the Vaculug network reflects our core values of quality, sustainability and long-term thinking.

As we look ahead, innovation will remain the engine that drives Vaculug forward. It is how we protect our competitive edge, how we deliver value to customers, and how we contribute meaningfully to a more circular and sustainable transport sector.

For us, innovation is not a department. It is a discipline and a responsibility, woven into every layer of our organisation.

Over the past several years, Vaculug has continued to pioneer innovations at the forefront of our industry not only in manufacturing and product development, but in the way we structure and future-proof our business.

Innovation, for us, extends beyond the factory floor. It includes how we govern, how we invest, and how we finance growth. In this spirit, one of the most forward-thinking initiatives we have developed is our Sustainability-Linked Financing structure - a bold step that directly connects financial performance with measurable sustainability outcomes.





In 2023, Vaculug became the first retreader in the world to secure Sustainability-Linked Financing. We continued to build on this initiative through 2024 and into 2025, embedding sustainability performance into our long-term capital strategy.

The financing, raised through Queens Road Capital (Hong Kong) in a world-first Sustainability Linked Financing Package (“SLFP”) for a retreading company, supports our expansion plans, technology upgrades, operational improvements and sustainability investments.

What makes this structure pioneering is its accountability.

Rather than treating sustainability as a standalone reporting exercise, we placed it at the heart of our financial framework. The agreement links our cost of capital directly to performance against defined environmental, social and governance KPIs.

If Vaculug achieves its agreed sustainability targets within the loan period, we receive a 75-basis-point reduction in our overall funding cost. If we fall short, the cost increases by 75 basis points. This structure introduces real financial consequence, reinforcing discipline, transparency and long-term alignment between growth and responsibility.

“When Vaculug approached us with this innovative structure we were intrigued! It was a win-win for us. If Vaculug reaches its metrics, then we benefit the environment. If it does not, then we benefit our

bottom line. Either way we win! We hope this is the first of many sustainability linked financings that we do.”

Jason McQueen, Head of Lending Operations at Queens Road Capital

When this initiative was first launched in 2023, during a period of historically high interest rates, our leadership team demonstrated strategic foresight. By structuring a sustainability-linked mechanism, we not only reduced our cost of capital but strengthened internal accountability across our ESG pillars.

In 2025, this financing model continues to serve as a foundation for disciplined growth. It complements our broader governance enhancements, including our Certified B Corporation status and SBTi-validated emissions reduction targets, ensuring that sustainability is embedded within both our operational and financial decision-making.

Sustainability-Linked Finance is more than a funding tool; it is a statement of intent.

“Under its new leadership, Vaculug has always been extremely laser focused on making sure that it is constantly looking at ways to improve its environmental impact. In fact, it is a key component of our Corporate DNA. So, when I was looking at financing options, I thought why not put our money where our mouth is and financially commit to these targets. And whilst doing good for the environment and the community, do some good for the company as well!”

Nimesh Purshottam, Finance Director at Vaculug

Building on our culture of innovation and long-term thinking, Vaculug Ventures was launched in January 2023 as a dedicated investment platform designed to accelerate sustainable innovation. Established to identify and support early-stage ventures aligned with the United Nations Sustainable Development Goals (UN SDGs), Vaculug Ventures reflects our conviction that lasting transformation requires not only operational excellence, but also strategic capital allocation aligned

with purpose.

Responsible investing sits at the heart of this initiative. Environmental, social and governance principles are fully integrated into our screening, evaluation and decision-making processes. Sustainability is not treated as an add-on consideration; it is a defining criterion in how we assess opportunity, risk and long-term value creation.

Vaculug Ventures extends beyond financial investment. Alongside capital, we provide portfolio companies with strategic guidance, sector expertise and access to our established customer and partner network. By combining funding with industry knowledge and commercial connectivity, we aim to support scalable, high-impact solutions that can deliver measurable

environmental and social outcomes.

Since its inception, Vaculug Ventures has made strategic investments in several high-impact ventures, each selected for its potential to contribute positively to the circular economy while demonstrating strong commercial foundations.

VATTENFALL

In 2025, Vaculug expanded its responsible investment strategy through a strategic investment in the green bonds of Vattenfall, one of Europe's leading energy providers and a pioneer in low-carbon power generation.

Vattenfall has positioned itself at the forefront of the transition to a fossil-free future, with a strong focus on renewables, nuclear and hydroelectric generation. In 2024, the company generated 99.6 TWh of electricity, with 73% coming from nuclear and hydro and wind power rising to 17.5% of total generation. Fossil fuels now account for just 9% of output, continuing a clear downward trajectory.

This investment reflects Vaculug Ventures' evolving approach to capital deployment, supporting established industry leaders driving measurable decarbonisation at scale. By investing in sustainable bonds, Vaculug is reinforcing its commitment to backing credible, science-aligned climate solutions while generating long-term value.

"At Vaculug, we believe sustainability is not just an option; it's a responsibility [...] Our investment in Vattenfall reflects our confidence in their clean energy leadership and supports our mission to contribute to a carbon-neutral Europe."

Nimesh Purshottam, Finance Director at Vaculug

HERU Powered by Choice

In 2025, Vaculug expanded its responsible In September 2024, Vaculug Ventures announced its investment in Heru Technologies as part of its ongoing #SustainableThinking campaign. Heru Technologies is a Hybrid Energy Resource Unit designed to reduce waste, greenhouse gas emissions and pollution through an innovative decentralised energy solution.

This strategic investment reflects Vaculug Ventures' continued commitment to backing transformative technologies that align with our mission to deliver lasting environmental impact.

Heru Technologies shares Vaculug's dedication to sustainability through its revolutionary approach to waste reduction and emissions control. HERU's cutting-edge system leverages natural pyrolysis to convert everyday discarded materials into usable

energy. This process enables households and businesses to significantly reduce their carbon footprint while lowering energy costs.

HERU is actively fundraising to expand access to this breakthrough technology, supporting the transition towards cleaner, more circular energy systems. Through this partnership, Vaculug Ventures aims to accelerate the adoption of scalable sustainable energy solutions and contribute meaningfully to emissions reduction globally.

"At Vaculug Ventures, we recognise the importance of supporting innovative solutions that help reduce waste and drive meaningful environmental progress. Our investment in Heru Technologies represents our commitment to championing solutions that tackle some of the most pressing sustainability challenges. HERU's technology is a game changer, and we're excited to support their expansion and positive impact on the environment."

Jeffrey Evans, Head of M&A at Zenises Group



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667.43



PURE ELECTRIC

In September 2024, Vaculug Ventures confirmed its investment in Pure Electric at a pre-money valuation of £37.5 million. Pure Electric is a UK-based global electric scooter company and a recognised leader in the rapidly expanding micromobility sector. The company is driven by a mission to transform urban mobility by tackling congestion and reducing pollution through high-performance, innovative e-scooters. Its advanced engineering and refined design have earned significant industry recognition, including the Gold Good Design Award, Red Dot 2023, Stuff Gadget Awards 2023 and T3 Awards 2024.

Through its partnership with McLaren and its portfolio of patented technologies, Pure Electric has secured a strong and defensible position within the premium micromobility market. This investment reflects Vaculug's continued commitment to sustainability and the promotion of cleaner transport alternatives. As part of our #SustainableThinking campaign, we focus on backing ventures that deliver measurable environmental progress, and Pure Electric's ambition to develop smarter, greener urban transport solutions makes it a natural strategic fit for Vaculug Ventures.

"Our investment in Pure Electric reflects our unwavering commitment to sustainable mobility. As we continue our #sustainablethinking campaign, we are proud to back a company that is at the forefront of reducing urban pollution and congestion. Pure Electric's innovative e-scooters and their collaboration with McLaren demonstrate a cutting-edge approach to micro-mobility, and we believe that together, we can shape a greener and smarter future,"

Jeffrey Evans Head of M&A at Zenises Group.



Napptilus Battery Labs

Napptilus Battery Labs develops sustainable hybrid battery technologies that harness carbon-based and organic waste nanomaterials to produce fast-charging, lithium-free energy storage solutions. By reducing reliance on critical raw materials, this innovation supports a more resilient and environmentally responsible energy transition. We are confident in the broad application potential and long-term growth opportunities as well as the wider impact of the pioneering companies we continue to support through this venture platform.



An important initiative that emerged from our first Sustainable Thinking Forum, held in spring 2023, was the introduction of a structured daily walk-around tyre inspection for drivers and fleet operators.

To reinforce this commitment, we developed and distributed a concise four-minute educational video, the first resource of its kind within our sector, demonstrating best practice for conducting effective truck tyre checks. Launched in 2024 as a complimentary training tool, the video was designed to enhance tyre safety awareness and provide clear, practical guidance for daily inspection routines.

The discussions at the forum underscored the critical need for stronger tyre safety standards and greater driver engagement. In 2025, the walk-around initiative and accompanying video continue to support improved compliance, risk reduction and industry-wide awareness, forming a practical extension of our commitment to safer roads and responsible fleet management.

COWBOY*

In October 2024, Vaculug Ventures announced its investment in Cowboy, a UK-based electric bike company. Cowboy is a certified B Corp driven by a mission to make cycling the preferred mode of urban transport worldwide. Its award-winning connected e-bikes have enabled riders to travel more than 150 million kilometres, collectively avoiding over 19,000 tonnes of CO₂ emissions. This investment represents an important milestone in the shared ambition of both organisations to advance sustainability and innovation within urban mobility.

The partnership strongly reflects Vaculug's sustainable thinking and core values centred on environmental responsibility and long-term, sustainable growth. Cowboy's commitment to reducing carbon emissions and accelerating the shift toward low-impact transport solutions makes this collaboration a natural strategic fit.

Through its forward-thinking product engineering and software-led ecosystem, Cowboy is redefining the urban cycling experience. Its proprietary AdaptivePower™ technology intuitively responds to road conditions in real time, delivering a smooth and intelligent ride. By integrating smart connectivity features with sleek, high-performance design, Cowboy aims to position cycling as the most practical and environmentally conscious choice for modern cities. This vision aligns seamlessly with Vaculug's broader ambition to support cleaner transport systems and reduce carbon footprints across the mobility sector.

"At Vaculug, sustainability is at the heart of everything we do. Our investment in Cowboy reflects our commitment to supporting innovative solutions that promote greener transport options. Cowboy's mission to make cycling the most popular mode of transport resonates strongly with our own values of creating a more sustainable world. We believe that through this investment, we can help promote the shift toward cleaner urban mobility, helping cities across Europe reduce their carbon emissions,"

Jeff Evans Head of M&A at Zenises Group.

AEROVOLT

In November 2024, Vaculug Ventures announced its investment in Aerovolt, the world's first and only public electric aircraft charging network. This forward-looking partnership reflects Vaculug's #SustainableThinking campaign and strengthens our commitment to advancing sustainability and innovation across the transport and energy landscape.

Aerovolt is transforming electric aviation through its pioneering Squadron platform, which provides electric aircraft with access to dedicated charging infrastructure at airports throughout the UK. With operational chargers already live, the network is delivering essential support to the rapidly emerging electric aviation sector. Integration with Octopus Electroverse further broadens access to Aerovolt's technology, enhancing interoperability and simplifying charging for aircraft operators.

Beyond infrastructure deployment, Aerovolt is working to integrate its systems with flight planning software and air traffic control hardware providers, helping to streamline operations and improve scalability. By backing these developments, Vaculug Ventures seeks to accelerate the adoption of electric aviation — an important step toward reducing emissions within the aviation industry and supporting the transition to lower-carbon air travel.

"This investment underscores Vaculug Ventures' commitment to driving sustainability and innovation. Aerovolt's pioneering work in electric aviation infrastructure complements our #SustainableThinking initiative, as we continue to champion solutions that reduce environmental impact across all modes of transport and our journey towards a greener future."

Jorge Crespo, Managing Director at Vaculug Limited



In line with our commitment to delivering industry-leading innovation, July 2024 marked the launch of Zeus, our next-generation, fully integrated production system. Developed entirely in-house over a three-year period, Zeus represents one of the most transformative operational advancements in Vaculug's history.

Now fully embedded across our manufacturing operations in 2025, Zeus has moved beyond implementation and into optimisation, continuously enhancing performance, efficiency and quality standards across our facilities. This advanced production ecosystem integrates artificial intelligence technologies at its core, significantly elevating our operational capabilities and setting a new benchmark within the retreading sector.

The journey began with a bold ambition: to design a future-ready production system from the ground up. Our production team was given complete creative freedom, starting with a blank sheet of paper, and challenged to reimagine what a modern manufacturing platform should deliver, not only for today's needs but for the demands of tomorrow.

"The freedom to innovate without constraints was both exciting and daunting. We envisioned a system that not only meets our current needs but also anticipates and adapts to future demands. The wish list was extensive, covering everything from increased automation and efficiency to enhanced quality control and sustainability."

Brian Barron, Head of GSD at Vaculug

With this ambitious blueprint in place, our IT team translated vision into execution. The objective was clear: embed intelligent automation and AI functionality throughout the production lifecycle to support smarter, faster and more resilient operations. What initially appeared complex quickly became a defining collaboration between production and technology.

"The integration of AI was a game-changer. AI allows us to analyse vast amounts of data in real-time, optimise production workflows, predict maintenance needs, and ensure the highest quality standards. The collaboration between our production and IT teams was crucial in creating a system that is not only innovative but also highly functional and reliable."

Jason Humphries, IT and Logistics Director at Vaculug

The result is a system that has exceeded expectations and continues to evolve. Zeus has fundamentally reshaped how we monitor, manage and optimise production, delivering measurable improvements in performance and reliability.

The name Zeus was chosen intentionally. Our previous system, Apollo, served us well, but this advancement represented a generational shift. Zeus, the King of the Gods in Greek mythology, symbolises leadership, strength and authority. As ruler of Mount Olympus, Zeus commands respect and sets the standard, qualities we believe reflect the capabilities and ambition of this new production platform. The name embodies transformation and signals our continued drive toward operational excellence.

Now fully operational, Zeus delivers tangible benefits across our manufacturing processes, including:

- **Enhanced Efficiency:** Greater automation and real-time data intelligence streamline workflows, minimise downtime and improve overall throughput.
- **Advanced Quality Assurance:** AI-powered monitoring ensures consistent product performance and supports continuous improvement.
- **Predictive Maintenance:** Data-driven diagnostics anticipate maintenance requirements, reducing unexpected disruption and extending equipment lifespan.
- **Sustainability Gains:** Improved process efficiency contributes to lower energy consumption, reduced material waste and enhanced resource optimisation, supporting Vaculug's broader environmental commitments.

As we move through 2025, Zeus continues to serve

as a foundation for future digital innovation. The capabilities developed through this initiative are informing additional automation, data integration and performance analytics projects across the business.

Zeus is not simply a system upgrade, it is a structural evolution in how we manufacture, measure and lead within our industry.

Kingh.Pro

Looking ahead, we will continue to prioritise investment in technologies that support our transition toward carbon neutrality by 2030 and strengthen the circular foundations of our business model.

In recent years, we have increased our investment in research and development software to further optimise our retreading processes. As referenced in the waste management section of this report (Section 9), our internal experts developed a dedicated Casing App designed to enhance

traceability and recovery of tyre casings across our managed contracts.

The Casing App enables us to track removed tyres in real time, improving visibility and encouraging customers to return casings to our Grantham facility for reprocessing. By strengthening this loop, we are reinforcing a fully closed-loop casing system, ensuring valuable materials are retained within the production cycle rather than lost to disposal streams.

The K-Singh app is currently undergoing testing ahead of its release. As adoption increases, we are excited to further refine the platform, enhance data analytics capabilities and use the insights generated to drive even greater material efficiency and circular performance across our network.









In 2024, we introduced INVAI an advanced, AI-powered system developed entirely in-house to enhance the efficiency and accuracy of our invoicing operations.

Now embedded into our financial processes in 2025, INVAI continues to optimise workflow performance by automatically extracting key data from invoices and integrating it directly into our accounting platform, removing the need for manual data input.

This intelligent automation significantly accelerates processing times while reducing administrative workload and the risk of human error. By streamlining repetitive tasks, INVAI allows our finance teams to dedicate greater attention to analysis, strategic oversight and value-adding activities.

Beyond efficiency gains, the system strengthens consistency, transparency and control across our financial operations, reinforcing our broader commitment to digital innovation and operational excellence.



Over the past several years, we have developed a specialised tread compound engineered specifically for electric waste vehicles a segment that continues to expand as cities accelerate the transition toward low-emission urban services.

Designed and refined at our R&D facilities in Grantham, this advanced compound has now been successfully integrated into our Protekt System, developed exclusively for retread tyres operating on electric vehicles. As municipal fleets increasingly adopt electric waste collection vehicles, we recognised the need for a tyre solution capable of meeting the distinct operational and load requirements of these heavier, high-torque vehicles.

Electric waste vehicles place unique stress on tyres due to instant torque delivery, stop-start driving patterns and increased vehicle weight from battery systems. In response, we engineered a purpose-built tread compound that balances durability, safety, efficiency and environmental performance.

Key features of the enhanced tread compound include:

1. **Increased Durability:** The compound is formulated to withstand the demanding duty cycles of urban waste collection, extending casing life and reducing replacement frequency.
2. **Optimized Traction:** The Protekt System i-Improved Traction and Stability: Integration within the Protekt System enhances grip and vehicle control, particularly in dense urban

environments and during repeated braking and acceleration..

3. **Energy Optimisation:** The compound is engineered to minimise rolling resistance, supporting improved energy efficiency and helping electric vehicles maximise battery range.
4. **Sustainable Material Innovation:** Developed with a focus on lower-impact inputs, the compound aligns with broader efforts to reduce the environmental footprint of tyre production and lifecycle management.
5. **Extended Retreadability:** The tread design enables multiple retread cycles, offering fleet operators a cost-efficient solution while reinforcing circular economy principles.

"Our team is proud to present a tyre solution that not only meets the unique demands of electric waste vehicles but also addresses the critical need for sustainable practices in our industry. The integration of the Protekt System further emphasizes our commitment to safety, performance and sustainability."

Michael Evans, Operations and OTR Director

This innovation reflects our broader strategy to advance sustainable compound development across both our precure and hot cure ranges. By continuously adapting materials science to evolving vehicle technologies, we are ensuring that retreading remains at the forefront of sustainable transport solutions



In addition to serving as a place to spur conversations and exchange knowledge, our Sustainability Forums serve as a launching pad for innovation. During our first forum in March 2023, the need for a modernised retorquer application was identified as a clear industry gap. At the time, only one retorquer app existed across the sector, and it was no longer being maintained or updated by its provider. Recognising the importance of accurate and accessible re-torque data for fleet safety and compliance, we made the decision to design and develop a new solution entirely in-house.

Following an intensive development and testing phase led by our highly skilled manufacturing and digital teams, we officially launched the V-Torque app in April 2025.

V-Torque provides direct access to Original Equipment Manufacturers' wheel nut torque specifications, delivering a simple, reliable and user-friendly interface for drivers, technicians and fleet operators. As the first retorquer application of its kind developed by a UK company, it introduces enhanced functionality and improved data accessibility, setting a new benchmark in wheel security and fleet management support.

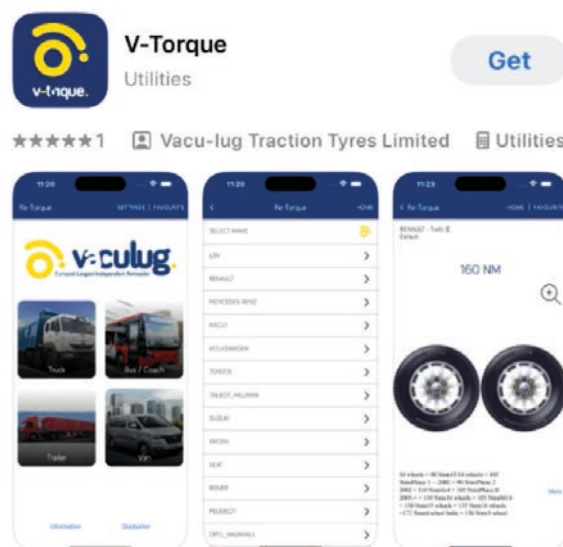
The app has been designed to deliver comprehensive and precise re-torque information, improving both operational efficiency and road safety. Its advanced capabilities enable users to accurately monitor, manage and record re-torquing activity, supporting optimal tyre performance and extended casing life. By simplifying compliance and reducing the risk of wheel-related incidents, V-Torque contributes to safer fleets while supporting broader sustainability objectives through improved asset longevity.

"We are thrilled to introduce V-Torque, a product born from our incredible commitment to sustainability and innovation. The app amplifies our dedication to driving positive change in the industry"

Glenn Sherwood, Chief Growth Officer at Vaculug

V-Torque offers continuously updated vehicle data, providing users with confidence in every re-torque carried out. Since its launch, we have made the app available across the industry, reinforcing our commitment to raising safety standards beyond our own operations.

We are delighted by the strong and positive feedback received from customers and industry partners since launch. We are excited to continue to update and evolve this powerful tool by integrating suggestions such as the addition of vans and light vehicles in the near future following customer requests. Watch this space!



Fuelled by a manufacturing process that prioritises quality and excellence, with our innovative approach to R&D we are committed to making continual improvements across all our products and services. This effort is evident in the many industry first initiatives we have pioneered over the years.

We remain the first and only retreader in the UK to utilise high-pressure, 12-segment matrices which are used to produce our Logistik range. We applied the same technology used from aircraft retreading technology, leading to the idea for the 12-segment matrices.

This innovation has resulted in tyres which exhibit both excellent wear characteristics and lower rolling resistance. In addition, our Duramold range now houses the 245/70R17.5 WXY2, a tyre with a specially developed kerbing band to provide extra sidewall protection to urban vehicle tyres which become worn from sustained kerb damage.

Driven by our entrepreneurial spirit, we were the world's first retreader to accept cryptocurrency. The

move positions our company to be ready for the future growth potential of the cryptocurrency space.

Additional industry-leading achievements to date include:

- The creation of a fully A-rated tyre (achieved due to the reduction of fuel usage during the production process).
- The Z-Brand tyre - an industry and world first that earned us a Guinness World Record!
- Protekt Plus - sidewall protection improvements with the addition of a groove structure that extends the durability and life of a tyre.
- We have developed a special thermal insulation system which reduces gas consumption by 27% and carbon emissions by 950 tonnes per annum.
- The creation of tyre jackets, which are used for the safe delivery and transportation of our newly produced retreaded tyre.

A LOOK AHEAD - DRIVEN BY INNOVATION

Our culture of innovation and sustainable thinking combined with our zest for creative ingenuity enables us to meet the many global challenges we are facing today. Moreover, our forward-thinking approach positions our business to be more resilient, agile and future-ready.

#SUSTAINABLETHINKING INSIGHT THE IMPORTANCE OF INNOVATION IN BUSINESS

An article by Harvard Business School Online highlights three key benefits of innovation in business

Adaptability: unforeseen challenges in business are unavoidable; innovation can help companies adapt to overcome challenges.

Fosters growth: being stagnant is bad for business; innovation is a catalyst for organisational and economic growth.

Competitive advantage: innovation can help a business stand out from competitors in highly-competitive business landscapes.

Source: <https://online.hbs.edu/blog/post/importance-of-innovation-in-business>, accessed January 2024.

OUR INNOVATION COMMITMENTS	HOW WE ARE TRACKING
We will keep investing in R&D and innovation projects with a focus on improving materials, products, and processes.	Ongoing.
We will activate new partnerships with suppliers and research institutions with the goal of enhancing our innovation capabilities.	We have collaborated with sustainability experts, carbon assessment experts and universities on various projects.
Working in collaboration with our rubber suppliers, we will aim to explore new and improved compounds that are more sustainable, and that perform better in terms of noise level and grip.	We have sourced and are testing silica as a renewable resource for our tyre manufacturing process, as well as renewable fuel for our fleets.
We will also continue to invest in the maintenance and upkeep of our manufacturing equipment, with aim of making it sustainable for long-term use.	Continued maintenance of material such as our 70-year-old autoclave.







12

OUR SOCIAL IMPACT

**WE MAKE A LIVING BY WHAT WE GET.
WE MAKE A LIFE BY WHAT WE GIVE
#VACULUGFOUNDATION**

"It is our belief that the true value of a company is in the benefit it brings to those who really need it."

Haarjeev Kandhari, Vaculug Chairman

OUR SOCIAL IMPACT: EMPOWERING CHANGE, INSPIRING HOPE

We remain committed to delivering on our vision of creating a better world for future generations. As our business continues to grow and evolve, so too does the scope and structure of our social impact initiatives. Through the Vaculug Foundation and our wider community partnerships, we seek to create meaningful, measurable improvements in quality of life, supporting underprivileged communities both internationally, including in India and parts of Africa, and within our home communities in the United Kingdom.

Education continues to sit at the heart of our social mission. We firmly believe that access to quality education is one of the most powerful drivers of long-term societal change. By investing in scholarships, school resources and structured educational initiatives, we aim to open doors for children and young people who may otherwise face barriers to opportunity. Alongside this, we recognise that food security, housing and basic welfare are fundamental to human dignity. Ensuring access to healthy food and essential support remains a core pillar of our outreach efforts.

Our ambition to create lasting positive impact is intrinsically linked to our commitment to building a responsible and prosperous business. By strengthening our operations, investing in innovation and embedding sustainability across our value chain, we generate the resources and resilience needed to support the long-term work of the Vaculug Foundation. In doing so, we ensure that commercial success and social progress advance together.



THE VACULUG FOUNDATION

Through our charity, the Vaculug Foundation, we continue to focus our efforts on three core pillars: Education, Housing and Food Security. These priorities remain central to our long-term commitment to creating meaningful and lasting social impact across the communities we support.

Guided by our mission, the work delivered through the Vaculug Foundation contributes directly to the United Nations Sustainable Development Goals (SDGs), particularly SDGs 1, 2, 4, 8 and 17, representing No Poverty, Zero Hunger, Quality Education, Decent Work and Economic Growth, and Partnerships for the Goals respectively, with a continued emphasis on SDGs 2 and 4.

Every year since 2018, we have allocated a significant proportion of our annual profits to the Foundation, ensuring that our commercial success translates into tangible social value. This purpose-led approach reinforces our commitment to building a responsible and prosperous business that actively contributes to a better world for future generations..

"Children are some of the most imaginative people on the planet. We need to help them find a passion or purpose that is uniquely theirs. Once they do that then they can imagine the world they want to live in. Their passionate mind will then help them create that world."

Haarjeev Kandhari, Vaculug Chairman.







OUR SOCIAL IMPACT WORK

While the world continues to grapple with the growing challenges posed by climate change, it is often the most vulnerable communities that experience the greatest impact. At Vaculug, we believe that creating a more sustainable future goes beyond reducing environmental impact alone. If we are serious about contributing to the United Nations Sustainable Development Goals (SDGs), we must also help strengthen the communities around us and create opportunities for people to thrive. We believe that only when all children have access to quality education; all families can afford to put food on their table, and communities have the support needed to build safe and prosperous futures, can we truly accelerate our collective efforts towards addressing the global challenges threatening our planet.

EDUCATION

We fundamentally believe in the power of education to create lasting change and build a more sustainable future. Guided by this belief, through the work of the Vaculug Foundation, we remain committed to expanding access to quality education and creating opportunities for those in need.

In alignment with United Nations Sustainable Development Goal #4 (Quality Education), we continue to invest in initiatives that empower individuals and strengthen communities through learning, development and opportunity.

To date, we have supported more than 16 scholarships at the University of Oxford and funded over 100 scholarships and educational opportunities for young people in India and beyond.

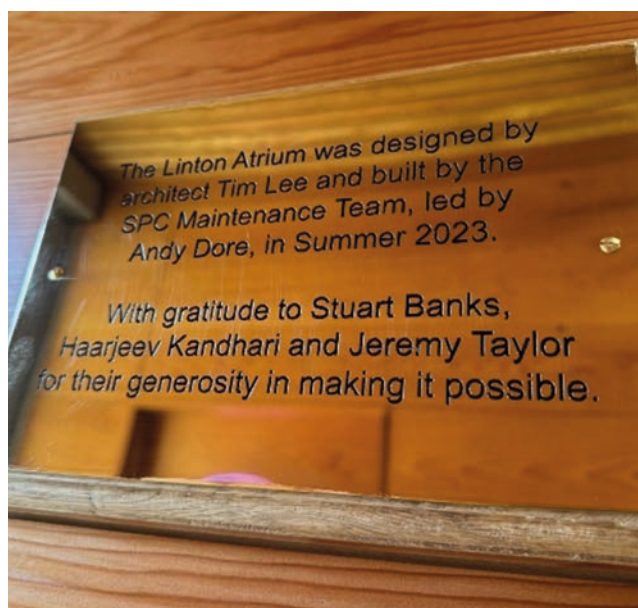
Through our partnership with the University of Oxford, we proudly sponsor the Choral Scholarship at St Peter's College. Along with the choral scholarship, we also sponsor an additional 15 scholarships at Oxford University.

This year, we were also proud to support the refurbishment of the Library Atrium at St Peter's College, helping to enhance an important learning and community space for students and staff, as well as a trip to the Isle of Man for the choral students in the summer.

Additionally, we continue to support students throughout their educational and professional journeys, we continue to develop the Mark and Rosie Damazer Mentorship Programme. This initiative provides students with the opportunity to work alongside C-suite executives, gaining valuable first-hand experience, professional insights, and mentorship from industry leaders. The programme has continued to create meaningful and rewarding experiences for both mentees and mentors alike, and we look forward to building on its success in the years ahead.

"Without that support (of Vaculug Foundation) we would be doing much less work on a whole variety of aspects...and it's unusual to have an automotive and tyre industry so closely associated to philanthropy, and education in particular. On behalf of the home College, I just want to say how enormously grateful we are."

Mark Damazer, CBE, Master of St. Peter's College





To support our efforts to provide underprivileged communities with access to quality education, in 2022 we introduced the Oneness Education Initiative. This programme aims to provide educational opportunities to children in India who otherwise may not have access to them, with a £1 donation for every tyre sold. We continued to expand and support this important initiative throughout 2025.

“At Vaculug, we fervently believe every child deserves and has the right to a quality education – and this belief is at the heart of the work we are doing through the Oneness Education Initiative.”

Haarjeev Kandhari, Vaculug Chairman.

To further support this initiative, in 2025 we distributed more than 250,000 textbooks to schools in underprivileged areas and remote villages across India. Among the many projects supported through the Oneness Education Initiative, the programme continues to fund teachers who travel to remote villages where children do not have the means to access nearby schools. A dedicated vehicle has also been provided to support transportation for teachers travelling to and from the communities they serve. We look forward to continuing this important work in line with our vision to create a better world for future generations.

Alongside Oneness, we also supported Z Aspire through the Vaculug Foundation. Z Aspire works with underprivileged children of all ages, from primary school through to university, helping to ensure they receive not only access to education, but also mentorship and guidance to help them maximise their opportunities. This focus on mentorship remains a vital part of the programme, helping students realise their potential, develop their skills, and build confidence for the future.





In 2025, we continued to expand our support for the Prayer for Purpose initiative through the Vaculug Foundation, increasing both the number of people supported and the overall financial contribution by 15% compared to the previous year. At Vaculug, our commitment to community goes beyond business: it extends to making a meaningful and lasting difference in the lives of individuals. Our Prayer for Purpose initiative remains a powerful example of this commitment and a reflection of our core values. Originally launched in 2022, the programme was developed to support a community of widows in the Punjab region of India.

A Global Community, A Shared Responsibility

We recognise the importance of building a global community that cares for and supports its most vulnerable members. Through our Prayer for Purpose programme, we continue to provide financial support to widows in exchange for their prayers and spiritual encouragement. Many of these women lost their husbands — predominantly farmers facing severe political and economic pressures in the region. Left as sole providers for their families, many lacked the resources and opportunities needed to rebuild their lives. Through the Vaculug Foundation, we continue to support these women by providing not only financial assistance, but also a renewed sense of dignity, purpose and belonging.

Cultivating Dignity and Meaning

Our programme goes beyond financial support; it is

centred on restoring dignity and creating meaningful connection. By recognising and valuing the role these women play within their families and communities, we aim to empower them while helping foster emotional and spiritual well-being. Through this initiative, many of the women are able to contribute more confidently to their households and communities while finding comfort and strength through prayer.

Strengthening Bonds, Fostering Hope

At Vaculug, we believe in the power of unity and the strength that comes from supporting one another. By continuing to grow the Prayer for Purpose initiative in 2025, we are strengthening connections, fostering hope and reinforcing the importance of compassion across our global network. The initiative continues to create a positive ripple effect that extends far beyond the immediate communities it supports.

A Continued Commitment to Giving Back

Our Prayer for Purpose initiative reflects our ongoing dedication to supporting society and creating shared value through the Vaculug Foundation. Just as we strive for excellence in our business operations, we remain equally committed to making a meaningful and measurable impact on the lives of those who need it most. Through initiatives such as this, we continue to demonstrate how responsible business can also be a force for positive social change.

In 2025, we continued to expand our Homes for Hope programme. In a world where many still struggle to secure a safe and stable place to call home, the Vaculug Foundation continues to stand as a beacon of hope for underprivileged communities.

Driven by a profound belief in the transformative power of secure housing, this initiative, and the dedicated teams behind it in India, remains committed to building homes and changing lives for those in need.

With a strong focus on compassion and community, we continue to support the construction of homes and the improvement of living conditions where access to sanitation and basic infrastructure is limited. Through our Homes for Hope programme, we are building homes for families in underprivileged communities across India, while also working to improve sanitation facilities for those who already have homes.

Since launching the programme, 35 homes have now been supported, including 15 homes built in 2025 alone.

This initiative's primary mission revolves around providing affordable and dignified housing solutions for individuals and families living in poverty. The programme contributes to SDG 1, which aims to eliminate poverty. We firmly believe that housing is a fundamental human right and that a stable home forms the foundation for personal growth, improved health, and enhanced opportunities. By tackling the root causes of homelessness and focusing on sustainable housing solutions, we aim to help break the cycle of poverty and empower marginalised communities to thrive.

Our approach to building homes for underprivileged communities is multifaceted and comprehensive. Leveraging the expertise of architects, engineers and construction professionals, the Homes for Hope initiative designs and constructs safe and sustainable housing units in economically disadvantaged areas. These homes are not simply shelters; they are communities that foster dignity, belonging and access to essential amenities such as clean water and sanitation facilities.









SDG 2 (Zero Hunger) aims to create a world free of hunger by 2030²⁵. It is an ambitious global goal that can only be achieved through collective action and meaningful collaboration. According to the World Food Programme (WFP), approximately 783 million people around the globe still face food insecurity and uncertainty about where their next meal will come from²⁶. This ongoing challenge reinforces the urgent need for organisations, communities and individuals to work together to address global hunger and poverty.

In support of SDG 2 (Zero Hunger), we have remained committed to alleviating hunger within surrounding communities every year since 2018. In 2025, we proudly continued this tradition through our Food for Futures programme, delivering healthy meals to those who needed them most.

This year's initiative was especially meaningful as it coincided with our Chairman Haarjeev Kandhari's 50th birthday celebrations, transforming the occasion into an opportunity to give back on an even greater scale. During a single-day event in the holy city of Amritsar, we provided more than 250,000 people with a hot meal, doubling the impact achieved the previous year.

Feeding a quarter of a million people in a single day is an extraordinary undertaking and one that is only possible thanks to the dedication of everyone involved in bringing our Food for Futures programme to life. While this initiative is only one step towards tackling global hunger, it reflects our belief that businesses have a responsibility to create meaningful and lasting social impact. Through programmes such as these, we aim not only to provide nourishment for those in need, but also to raise awareness of the widespread challenges of poverty and food insecurity that continue to affect communities around the world. Despite India's continued economic growth, poverty and hunger remain persistent challenges for many vulnerable communities. Through the work we support via the Vaculug Foundation, we remain devoted to improving quality of life for those most in need. However, we also recognise that lasting change requires broader engagement and collective action. By sharing these initiatives and their impact, we hope to inspire others to join us in supporting the mission of SDG 2 and contributing towards a future where no one goes hungry.

This is our ultimate ESG commitment and legacy. This is the heart of Sustainability in Motion.

WE MAKE A LIVING BY WHAT WE GET.
WE MAKE A LIFE BY WHAT WE GIVE
#VACULUGFOUNDATION



²⁵ Source: <https://www.un.org/sustainabledevelopment/hunger/>, accessed February 2024.

²⁶ Source: <https://www.wfp.org/ending-hunger>, accessed February 2024.

MAKING A POSITIVE DIFFERENCE IN OUR LOCAL COMMUNITIES

"We are working on several social responsibility initiatives. We actively engage with communities, rolling up our sleeves and getting involved in projects that bring about positive transformation. It's not just about giving; it's about being present, being part of the community, and making a direct impact."

Jorge Crespo, Managing Director of Vaculug



Vaculug has been part of the local fabric of Grantham for over 75 years. This is why, under our current leadership, we created a dedicated local charitable initiative called Grantham Giving, focused on supporting and strengthening our home community. Our Grantham Giving Programme encompasses the many initiatives and activities we support that aim to make a meaningful and lasting difference across our local communities.

We firmly believe that the strength and prosperity of our community is intrinsically linked to the long-term success of our business. This belief remains at the heart of our Grantham Giving initiative and reflects our ongoing commitment to community development and social impact. Our dedication extends beyond geographical boundaries. Embracing the wider Vaculug family, we have continued to expand the reach of our Grantham Giving programme to support people and causes across our communities, including the vibrant landscape of Scotland.

At Vaculug, we recognise that thriving communities are essential for building a sustainable future. Through our Grantham Giving programme, we continue to support a wide range of community development projects and charitable initiatives. We collaborate with local schools, work alongside local charities, and provide support and resources to families and individuals in need. Through these efforts, we strive to create initiatives that uplift and

strengthen the communities around us.

One initiative we remain particularly proud to support is our partnership with Inspire+, a sports and education charity. Inspire+ is recognised both locally and nationally for its contribution to improving the lives of children and young people through its work with schools and the wider community.

We first supported Inspire+ in 2024 as they partnered with Active Lincolnshire Lets Move to provide specialist trailers equipped with wheelchairs for children and young people in the community. Through our partnership, we were proud to support the initiative by equipping the trailers with Vaculug tyres. Building on this support in 2025, we were delighted to attend the Inspire+ Mini Olympics opening ceremony, a brilliant event celebrating sport, teamwork and togetherness within our younger community. Over 2,000 children took part in this year's event, contributing to a legacy that has seen more than 16,000 young people participate since 2012.



With the support of our Vaculug family and partners, we remain committed to improving the quality of life of people living in our surrounding communities. Throughout 2025, we continued to support several local charities and community initiatives, helping raise

funds and awareness for people in need. Altogether, our charitable donations and efforts align with our commitment to contributing to SDG 1 (No Poverty).

We also continue to actively support local and grassroots sports organisations. By investing in local sports teams, youth initiatives and community wellbeing programmes, we are helping to keep our communities healthy, active and connected, in alignment with SDG 3 (Good Health and Wellbeing).

PROUD SUPPORTERS OF GRANTHAM'S YOUTH FOOTBALL LEAGUE

Over the past year, we have continued to strengthen our ties with local and regional communities, supporting grassroots sport initiatives that promote health, wellbeing, teamwork and opportunity for young people.

We remain proud supporters of Harrowby United Football Club, including its wider adult and community involvement. Many members of the Vaculug family are actively connected to the club, reflecting a long-standing local partnership rooted in shared values and community pride.



Plymstock U13s girls team



Stoneygate Lion's team



Our commitment extends beyond Grantham, with continued sponsorship of Wishaw Academy Youth Football Team in Scotland. This partnership reflects our broader reach and our aim to support the communities where our employees live and work. We are also proud to continue supporting Stoneygate Lions U11s.

Our involvement has extended as far south as Devon, reinforcing our belief in investing in grassroots football and nurturing young talent across regions. In addition, we continue to support the Plymstock U13 Girls Football Team, further strengthening our commitment to women and girls in sport. This partnership reflects our belief in the importance of diversity and inclusivity both on and off the field, helping to break down barriers and inspire the next generation of players.

In 2025, Vaculug was proud to support the

Lincolnshire Cheer & Dance Academy (LCDA) on their journey towards the Allstar World Championships. Through our sponsorship, we were delighted to contribute towards helping the team progress closer to achieving this exciting milestone. We are proud to support local young talent and community initiatives that encourage teamwork, dedication, confidence, and personal development through sport.



Across all of these partnerships, our focus remains clear: to champion teamwork, support inclusive participation and contribute positively to the communities we are proud to be part of.

ENGAGING OUR PEOPLE AND GIVING BACK TO OUR LOCAL COMMUNITY THROUGH OUR GRANTHAM GIVING PROGRAMME

Our Vaculug family values remain at the heart of the Grantham Giving programme. This initiative brings together all of our activities aimed at supporting and strengthening our local Grantham community. Every project and initiative delivered over the years has been made possible through the dedication, time and care of our valued Vaculug family members.

We also continue to support charitable causes that are close to the hearts of our employees through our matched giving scheme, where we match donations made to a wide range of personal and meaningful causes. As part of our ongoing sustainability journey,

employee engagement in volunteering has continued to grow.

Once again in 2025, we successfully achieved our target of increasing volunteering hours by 15%, building on the 15% increase achieved in 2024.

This sustained growth reflects the strong culture within Vaculug, where our people continue to play an active role in delivering meaningful community impact.





IMPROVING A PLAYGROUND IN GRANTHAM



In recent years our Vaculug employees have dedicated time to clean the grounds and apply fresh coats of paint to refresh the space. Through our collaboration with our tyre reprocessing and repurposing partners, crumb from Vaculug recycled rubber was used to create a new surface for the playground. This project is just one of many examples of how we are supporting and investing in the well-being of our surrounding communities – and not least of all in the well-being of children.

SUPPORTED OUR LOCAL BHIVE COMMUNITY HUB

This past year, we continued our long-standing partnership with the BHive Community Hub. As part of our commitment, in July 2025, a team of nine colleagues took part in the Tough Mudder 5km and 15km challenges, raising further funds in support of the BHive Community Hub in Grantham.

The hub is a vital local initiative and home to the South Lincolnshire Blind Society (SLBS), delivering a wide range of services that support wellbeing across the community. These include men's mental health groups, wider wellbeing sessions, and dedicated carer support services, as well as initiatives such as Place2Bee, which provides additional support for men's mental health and for families caring for individuals living with dementia.

We would like to thank our amazing sponsors for the race Hankook Tyre UK, TRS Tyres Ltd, Conica LTD and Independent Tyre Distributors Network Ltd, as

well as, our local businesses Office Friends and Print Bureau Team PBTWorkwear for kitting us out with team t-shirts and top-quality printing.

In 2025, we continued our support through the Magna tyre initiative, donating £25 to BHive for every Magna OTR tyre sold to help strengthen their local services.





SUPPORTING WALTON ACADEMY

We were delighted to continue our support for Walton Academy in Grantham during 2025. Following our initial donation of gardening tools and equipment in 2024, we were proud to attend the opening of the school's Community Garden.

It was inspiring to see how the space has developed into a vibrant and welcoming environment for students and the wider school community to enjoy. The project stands as a strong example of what can be achieved through collaboration, and the positive impact that can be made when working alongside young people to help shape and develop spaces for their future.



SUPPORTING OUR LOCAL COMMUNITIES DURING EASTER

As part of our ongoing commitment to supporting the communities around us, Vaculug was proud to support Church of Hope and its local Easter initiative by donating Easter eggs to children, families and community teams within our local area.

At Vaculug, we believe that even small acts of kindness can make a meaningful difference. Supporting community-led initiatives such as this reflects our family values and our commitment to bringing people together, particularly during important moments of celebration and togetherness.



SUPPORTING POSITIVE CHANGE IN OUR COMMUNITIES

In November 2025, we were proud to serve as the main table sponsor of the Lord Mayor's Last Laugh, held at the historic Guildhall in the City of London. The black-tie gala, organised by The Lord Mayor's Appeal under Alderman Alastair King DL, brought together leading figures from across the City for an evening of entertainment, fine dining and fundraising in support of two outstanding partner charities.



Funds raised on the night were directed towards Homewards, a programme of The Royal Foundation working to end homelessness across the UK, and MQ Mental Health Research, the UK's leading charity dedicated to advancing mental health through

science. Both causes reflect our belief that a truly sustainable future must be built on strong, healthy and inclusive communities.

The Lord Mayor's Appeal works to create A Better City for All, one that is Inclusive, Healthy, Skilled and Fair, values that closely mirror our own commitment to social impact and shared value. Our sponsorship of this event reflects our continued dedication to supporting causes that go beyond our immediate industry, using the success of our business to create meaningful and lasting change in the communities around us.



CHARITY GOLF EVENTS

Saints Community Development Foundation



We were proud to once again support and participate in the Saints Community Golf Day for another year running. Proceeds raised from the event support the Saints Community Foundation, helping to fund a

range of community programmes and initiatives that benefit local people.

SUEZ golf day

We were proud to support the Suez Golf Event, raising vital funds for their charity partners, the British Heart Foundation and Macmillan Cancer Support. These contributions make a meaningful difference in the lives of those affected by serious illnesses



Hankook HOPES

in partnership with Vaculug | 

At Vaculug, we are committed to creating a positive impact on the world around us. In 2025, we were proud to continue our partnership with Hankook through the Hankook Hopes programme.

The initiative is focused on supporting the education of underprivileged girls in some of the most disadvantaged regions of India. For every Hankook Alphatread produced in our Vaculug factory, we donate £5 to help fund access to education for girls who would otherwise face significant barriers.

Through this programme, each retread represents more than a tyre. It reflects our ongoing commitment to sustainability, safety and social responsibility. By extending the life of tyres, we are also helping to extend opportunities for young people who need them most.

With Hankook Hopes, we are proud to be contributing to meaningful change - supporting education, empowering communities, and demonstrating that even small actions can add up to a real difference, one retread at a time.

GIVING DURING THE SEASON OF GIVING

Keeping with our annual season of giving traditions, the Vaculug team proudly supported the Cash for Kids Mission Christmas campaign for the fourth consecutive year. Thanks to the generosity of our Vaculug Family, we donated a wide range of gifts for children of all ages, from toys for newborns to gifts for teenagers, helping to ensure that local children experienced a brighter Christmas. We are proud to continue supporting this important initiative, which brings joy and support to families across our local communities during the festive season.



SUPPORTING CAUSES THAT ARE AT THE HEART OF OUR VACULUG FAMILY

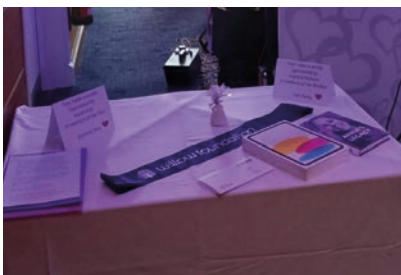
Throughout the year many of our employees take part in charitable activities that are close to their hearts. In addition to supporting these events - when and where possible we show up to cheer our employees along the way.

Supporting the Willow Foundation

In 2025, Vaculug was proud to support the Willow Foundation, a charity dedicated to providing special experiences and memorable moments for seriously ill young adults aged 16 to 40.

We were also pleased to donate an iPad for their Charity Ball at Belton Woods auction, helping to raise £3,200 and contributing to over £117,000 raised since the initiative began.

The Foundation continues to make a profound difference to individuals and families across the UK by creating uplifting experiences during incredibly challenging times. We are honoured to contribute towards the charity's important work and to support an organisation that brings hope, joy and lasting memories to so many people.



Supporting Birmingham Charities

Vaculug was proud to make a donation to Birmingham Women's and Children's NHS Foundation Trust in support of the incredible work carried out by its teams every day. We also supported Guy Henwood in his Berlin marathon effort to raise money for the Birmingham Children's hospital charity.



Both charities provide vital specialist care and life-changing support to thousands of children, women and families across the region. Through this contribution, we are honoured to support the dedication and compassion of the healthcare professionals who continue to make a positive impact on so many lives.

Supporting Justin Jeffery's 8 Marathons in 8 Days Challenge

Vaculug was proud to support Justin Jeffery from Hireco World as he undertook the incredible challenge of completing eight marathons in eight consecutive days.

The extraordinary endurance challenge demonstrated remarkable determination, resilience and commitment towards raising awareness and supporting charitable causes.

At Vaculug, we are proud to support individuals and partners who go above and beyond to make a positive difference through fundraising and community action.



Supporting the Lady Mayoress of London in the London Marathon

Vaculug was proud to support the Lady Mayoress of London in taking part in the 2025 London Marathon, helping to raise funds and awareness for the British Liver Trust.

The British Liver Trust continues to play a vital role in supporting patients and families affected by liver disease, while also driving awareness, education and research around liver health across the UK.

Supporting charitable fundraising initiatives such as this reflects Vaculug's continued commitment to backing causes that improve health outcomes and positively impact communities.

Supporting Macmillan Cancer Support

The Vaculug family once again came together at our Head Office to support the incredible work of Macmillan Cancer Support through a charity coffee morning and bake sale. Colleagues across the business enjoyed a morning of delicious homemade treats while raising funds for a charity that provides vital support to people living with cancer and their families across the UK. The event reflected the strong sense of community and togetherness that continues to define the Vaculug family culture.



Further support for Macmillan Cancer Support was also raised through the previously mentioned SUEZ Golf Day, helping to contribute additional funds towards the charity's important work supporting individuals and families affected by cancer.





SUPPORTING COMMUNITIES AROUND THE WORLD



In line with our mission to create a better world within and beyond our local borders, in 2022 we launched ‘Abundance Africa’, an initiative that is focused on supporting communities across the continent of Africa.

This initiative was created to support the poorest communities across Africa. Recognising the pressing needs in these regions, we have committed to making a tangible impact through strategic and generous contributions.

In 2025, this was executed primarily via two pioneering partners:

.....



Corporate partners of Transaid

In 2025, Vaculug was proud to strengthen its relationship with Transaid by officially becoming a Corporate Partner. The partnership builds on four years of support for Transaid’s initiatives, including sponsorship of Transaid ambassador Guy Heywood’s fundraising activities, as well as contributions towards healthcare programmes in Zambia and wider projects across sub-Saharan Africa.

As part of this collaboration, we continued supporting Transaid’s Bicycle Ambulance programme, an initiative designed to improve access to emergency healthcare in remote communities where transportation is often scarce, unreliable or unaffordable.

Following the successful delivery of the first Vaculug-designed bicycle ambulance in 2024, the initiative continued to make a meaningful impact in rural communities by improving access to emergency healthcare services. In 2025, we were proud to see the latest Vaculug-branded bicycle ambulance deployed in rural Zambia, supporting Emergency Transport Riders in safely transporting pregnant women experiencing complications and children suffering from severe malaria to healthcare facilities when every moment matters.

Together with Transaid, healthcare access continues to strengthen across the Serenje and Chitambo Districts of Zambia. During the year, six new bicycle ambulances were delivered, 131 health volunteers were retrained, and 18 new riders and custodians received specialist training — helping to expand the programme’s long-term impact across underserved communities.



In February 2025, Guy Heywood and our Chairman, Haargeev Singh Kandhari, attended the King’s Humanitarian Reception at Buckingham Palace in recognition of their commitment to Transaid. Hosted by His Majesty The King, Her Majesty The Queen and Her Royal Highness The Princess Royal, patron of Transaid, the event celebrated organisations and individuals dedicated to humanitarian causes.

"I'm so grateful to Guy for the introduction to such an incredible organisation. I am confident that our values are well aligned as organisations, and I look forward to the many opportunities there will be for the Vaculug team to get more involved in Transaid's life-saving projects in sub-Saharan Africa."

Chairman Haarjeev Singh Kandhari

Vaculug joins a growing network of corporate partners from across the transport and logistics sector who collectively contribute their expertise, resources and support to help Transaid deliver impactful programmes across Africa.

"The support we receive from our corporate partners is one of the key ingredients in what allows our programmes to be so successful. We're excited for this opportunity to work more closely with the team at Vaculug; they bring a wealth of industry expertise and we are excited for what we can achieve together."

Caroline Barber, Chief Executive of Transaid

The partnership reflects our continued commitment to creating a positive impact beyond our industry and supporting initiatives that improve lives and strengthen communities through sustainable transport solutions.



Supporting Bomu Hospital in Kenya

One of the standout efforts under the Abundance Africa initiative was the support provided to the Bomu Hospital in Mombasa. Bomu Hospital is renowned for its extensive healthcare services, not only within its facility but also through its outreach programs that serve the rural communities in Mombasa, Kilifi and Kale counties. Since opening its doors in 1979, the hospital has been dedicated to fulfilling its founder's vision of ensuring all Kenyans have access to high-quality health care, when and where they need it. This vision aligns with our own vision at Vaculug, which is to create a better world for future generations. Understanding the critical role of sustainability in ensuring the longevity and efficacy of healthcare services, in 2024 we engaged our Chief Sustainability Advisor to build a sustainability strategy and report for Bomu Hospital. The Sustainability strategy and report is a vital tool for Bomu Hospital as it lays out the framework for maintaining and enhancing their healthcare services, ensuring they can continue to deliver essential care to those in need. The strategy and report outline specific initiatives to enhance the hospital's resource management, community health initiatives and long-term plans for improving healthcare accessibility. Most importantly, this work allows the hospital to ensure it can raise awareness and money with the international aid community

"In all that we do we are driven by those three words- hope, health & humanity."

**Hayati Saifuddin Anjarwalla,
Founder of Bomu Hospital**

In response to the support we have provided Bomu Hospital on their sustainability journey, we were honoured to receive a letter of thanks from Bomu Hospital (see Appendix 2). We commend the inspiring work they are doing, and we are grateful to play a small part in their journey

"In order for Bomu to continue the noble work started by its Founder, late Mrs. Hayati Anjarwalla, it is of paramount importance that a sustainability plan is developed and implemented. Your kind donation has made this possible for us."

**Dr. Aabid A. Ahmmed, M.B. Ch.B., Msc. CRA (UK),
PhD, Bomu Hospital Chief Executive Officer**

The work we are doing through Abundance Africa contributes to the global SDG 3 (good health and well-being), which aims to ensure healthy lives and promote well-being for all.

All of our social impact work combined provides transparency to us and our stakeholders on how our money is being invested - and more importantly, on how the work we are doing is making a positive difference in our surrounding communities.



SUPPORTING EYE CARE IN NABLUS

As part of our commitment to supporting healthcare initiatives around the world, Vaculug funded the purchase of an Optical Biometer for the new Day Hospital in Nablus.

This vital piece of equipment represents a significant step forward for eye care services in the northern West Bank, helping medical teams deliver more accurate diagnostics and improved treatment for patients requiring specialist eye care.



OUR SOCIAL IMPACT COMMITMENTS	HOW WE ARE TRACKING
We will track and measure our social impact initiatives.	In the UK, we supported several charity events in 2025 through our Vaculug Foundation. Funded over 100 scholarships for students in the UK and India. In India, we fed 125,000 people in a single day; donated 200,000 textbooks to children in need; over 100,000 children participated in our Oneness Education Initiative in 2025. Supported many families and homes to improve quality of life through our Homes for Hope (15 homes built in 2025) and Prayer for Purpose initiatives.
We will further structure and expand the work we do with the Zenises Foundation.	To date we have created our Oneness Education Initiative, Homes for Hope, Prayer for Purpose and more.
We will work with existing and new partners to expand social impact initiatives.	Forged many partnerships locally near Grantham (e.g., Metropolitan Police, city councils, charities and businesses) and abroad to improve the lives of people and communities near and far.







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CREATING SHARED VALUE & STAKEHOLDER ENGAGEMENT



CREATING SHARED VALUE WITH OUR STAKEHOLDERS

We continue to recognise that achieving our goals and realising our vision requires collective effort. Working closely with our stakeholders remains essential in identifying opportunities for collaboration and driving meaningful, lasting change.

“Grantham is home to so many wonderful, long-standing manufacturing businesses. For over 70 years, Grantham has been home to Vaculug Limited, which is a leading commercial tyre retreading specialist, providing tyres for fleets across the U.K. I had a great afternoon meeting Executive Chairman, Haarjeev Kandhari, and his team and hearing about all their success and plans for the future.”

Gareth Davies, UK Member of Parliament

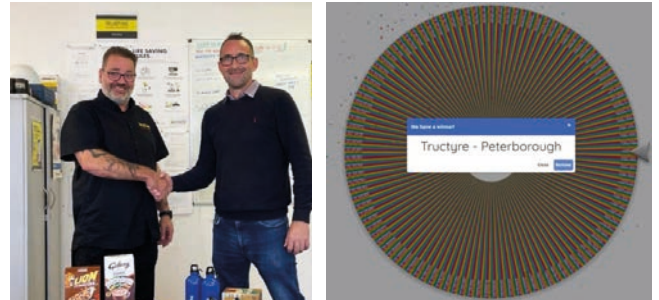
OUR APPROACH TO STAKEHOLDER ENGAGEMENT

Throughout our journey of sustainable transformation, we have actively engaged and collaborated with stakeholder groups that play a pivotal role in helping us support our local communities and advance sustainable progress across the transport sector. We firmly believe we are stronger together, and through these partnerships we continue creating shared value for our communities, contributing to the United Nations Sustainable Development Goals (SDGs), and building a responsible and prosperous business for the future.

Since embarking on our sustainability journey in 2022, we have continued sharing our expertise and sustainable thinking approach through Sustainability Forums, Road Safety & Tyre Awareness Workshops, customer engagement initiatives, and participation in leading industry events across the transport and logistics sector.

In 2025, as part of our 75th year in business, we hosted our fifth Sustainable Thinking Forum at the National Space Centre — a venue chosen to reflect our long-term commitment to innovation, future-focused thinking and sustainable transport solutions. This year, we also launched a month-long engagement campaign throughout September for

our Service Provider Network, designed to recognise and reward the valued partners who support our nationwide operations every day. Through a “Spin the Wheel” initiative, service providers received seasonal care packs containing refreshments, snacks and practical items for those working on the road, reinforcing our appreciation for the critical role they play within the Vaculug network.



INDUSTRY COLLABORATION & PARTNERSHIPS

We continued strengthening our long-standing relationships with key partners across the industry, reflecting Vaculug's commitment to collaboration, innovation and sustainable growth.

This past year we continued to strengthen our long-standing relationships with key partners across the industry, reflecting Vaculug's commitment to collaboration, innovation and sustainable growth. 2025 was once again a year of strong collaboration with our partners at SUEZ UK. Throughout the year we engaged across multiple occasions, from sustainability-focused events to visits at Vaculug headquarters. During one visit, we were delighted to welcome Julie and members of the SUEZ team for a sustainability and social impact discussion, followed by a factory tour and a showcase of the BHive Community Hub and its meaningful work supporting the local community.

The occasion also included the presentation of a dedicated woodland area donated to SUEZ on behalf of Vaculug. We extend our sincere thanks to Julie, Rob Dixon, Susan Swinburn, and the entire BHive team for their continued collaboration and impact.



We were also pleased to exhibit at the 2025 SUEZ Sustainability Awards, where we hosted a stand within the marketplace and shared Vaculug's sustainability journey with the wider SUEZ network.



We continued our collaboration with Biffa through participation in their annual Sustainability Event, providing an opportunity to showcase Vaculug's sustainability initiatives, engage with stakeholders and strengthen our shared commitment to creating positive environmental and social impact across the industry. Biffa apprentices were also invited to our facilities for National Apprenticeship Week (Section 8)



This past year also marked 20 years of partnership with our trusted logistics partner, DX Group. To celebrate this milestone, we hosted a commemorative

lunch at Mosimann's in London, reflecting on two decades of successful collaboration and shared growth.



At Vaculug, sustainability is reflected not only in our products and processes, but also in the enduring relationships we have built with suppliers, customers and partners over the past 75 years. Our longstanding partnership with B&J Rocket, for which Vaculug has proudly served as exclusive distributor for more than 60 years, remains a cornerstone of our collaborative approach, and an example of our commitment to sustain long partnerships with our stakeholders. We look forward to continuing this successful relationship for many years to come.

In 2025, we were also proud to support GXO at their

Family Day event, which brought together employees and families while raising funds for Andy's Man Club, a charity focused on supporting men's mental health and wellbeing.



SUPPORTING INDUSTRY EXCELLENCE

Throughout 2025, Vaculug continued engaging with key industry events and conferences that promote collaboration, innovation and operational excellence across the transport and logistics sector.

In May 2025, Vaculug attended the ALBUM (Association of Local Bus Managers) Conference and Gala Dinner, connecting with operators and partners from across the UK bus and passenger transport industry. As part of the event, Vaculug proudly sponsored the Medieval Night held at Nottingham Castle — a memorable evening celebrating partnership, collaboration and shared success within the sector.





Vaculug also attended the prestigious 2025 Motor Transport Awards, one of the transport and logistics industry's longest standing and most respected events recognising excellence across fleet operations, manufacturing and service provision. The awards brought together leading organisations from across the industry to celebrate resilience, innovation and operational achievement. Vaculug was delighted to host customers and partners during the evening, further strengthening relationships across the transport sector.



In October 2025, Vaculug attended the National Tyre Distributors Association (NTDA) Annual Dinner and Tyre Industry Awards ceremony — one of the tyre industry's most significant annual events. With over 570 guests in attendance and 60 award entries shortlisted, the evening celebrated excellence and innovation across tyre manufacturing, distribution, retreading and the wider automotive aftermarket sector. Vaculug's Operations team proudly represented the business at the ceremony, reflecting our ongoing commitment to leadership and operational excellence within the industry.



Vaculug was also proud to attend the 2025 Route One Awards, celebrating excellence across the UK bus and coach industry. Representing Vaculug at the event were Managing Director Jorge Crespo and Partnerships Manager Paul Anthony Edsall, who engaged with operators, partners and stakeholders from across the passenger transport sector. The event provided an excellent opportunity to discuss the importance of innovation, reliability and sustainability in shaping the future of transport.



WE'RE ATTENDING



FOR OPERATOR EXCELLENCE

Come and have a chat with our team...



Figure 8 – Stakeholder Shared Value & Engagement

STAKEHOLDER GROUP	VALUE CREATED	IMPACT	SUPPORTING THE SDGs
Customers (Retreading & Fleet Management)	We produced a Carbon Footprint Assessment Report which we offer to our customers to help them better understand their own impact, and to help them identify where they can improve. We have created a Carbon Footprint calculator for our customers to access as a tool that can help them on their journey. We produce premium quality products with our retreaded tyres that last longer (as they undergo more inspection than new tyres). We also aim to deliver exceptional value for money. Our retreaded tyres cost our customers 40% less than a new tyre, delivering savings to our customer while minimising the impact on the environment.	Annual Environmental Report provided to each Vaculug customer. Carbon Footprint calculator has been used by 156 clients in 2024 Retreaded tyres deliver 40% savings to our customers (vs buying new tyres)	 
Partners	Through our recycling efforts with our tyre recycling and reprocessing partners, we are creating value in the products that are being produced from our recycled materials. Local communities' benefit from various products produced, including sport surfaces and surfaces for children's playgrounds. In collaboration with City Councils, we have sponsored improvements of local playgrounds. We partnered with the Metropolitan Police to host two Road Safety and Tyre Awareness workshops, in support of SDG 3 (Good Health & Wellbeing), and specifically SDG indicator 3.6.1 (reduce the death rate caused by road traffic injuries). We appointed a Chief Sustainability Advisor to guide and support our strategy, reporting and governance. Collaborated with UCL School of Management to develop a case study about our journey, and to develop and conduct sustainability workshops	We recycled 14,866,000 kg of rubber and 4,984,000 kg of steel from end-of-life tyres, saving more than 52,156,000 kg of CO2 emissions in 2025 Approximately 62 stakeholders (employees, customers, suppliers) attended the session.	 
Value Chain Suppliers	Through our supply chain business relations, locally and globally, we are directly supporting the growth of local economies and indirectly contributing to local employment. Introduced policy to ensure we are not sourcing raw materials from conflict zones. Exploring renewable sources for our raw materials and fuel. Our fleet management operations provide employment opportunities locally.	Numerous annual contracts with our suppliers.	 

STAKEHOLDER GROUP	VALUE CREATED	IMPACT	SUPPORTING THE SDGs
Employees	We create well-paid quality jobs in support of SDG 8 We provide equal employment and development opportunities at our local production plant and HQ in Grantham. We organise and host various events throughout the year that engage and entertain our Vaculug employees and their families, with the aim of creating a caring and fun family culture. It is just one of the ways we show our employees how much we value them. We leverage the expertise and talents of our people to identify and develop internal training programmes for employees who are new or are transitioning from one role to another. We have several initiatives in place supporting the health and well-being of our employees. Code of Ethics, developed in 2022/2023, outlines our conduct expectations in line with our company values.	214 people employed at Vaculug. Majority of our full-time employees participated in professional development training in 2025. All Vaculug employees had access to development with Vaculug University Our 2023 employee survey indicated 90% employee satisfaction and engagement Published our Code of Ethics in March 2023	   
Vaculug Foundation & Local Community Partnerships (parish council, universities)	Several social impact initiatives aimed at improving quality of life, with a focus on giving children access to quality education. Provide healthy meals to families in need. Support Grantham football league with donations Resurface local playgrounds. In support of SDG 4 (Quality Education), we developed our Oneness Education Initiative which aims to deliver quality education to children in remote villages in India; we donated textbooks to various schools in India through this initiative. Sponsored and participated in Charity Golf event, raising money for charity in support of SDG 1 (No Poverty). We committed to reporting our efforts and progress and sharing #Sustainable Thinking and best practices with our stakeholders.	Over 100 scholarships funded to date, including 16 with the University of Oxford. 250,000 people in need fed at a one-day event (an annual event, apart from pandemic) 250,000 textbooks to schools in India Over 100,000 school aged children participated in the Oneness Education Initiative 10 sustainable thinking articles published in 2024 Published 4 annual Sustainability Reports to date (2022, 2023, 2024 and 2025)	    

STAKEHOLDER GROUP	VALUE CREATED	IMPACT	SUPPORTING THE SDGs
The Planet	Our business is a circular model that reuses and recycles tyres, diverting them from landfill. Our 100% zero waste landfill policy keeps our non-tyre waste out of landfills, supporting SDG 12 (Responsible Consumption and Production), and specifically SDG target 12.5 (substantially reduce waste generation through prevention, reduction, recycling, and reuse). We are committed to being a carbon net-zero business by 2030 in support of SDG 13. We have been part of the UN Global Compact since 2021. In 2023, we engaged the services of Tecno International to lead our company's first carbon assessment to establish our baseline (based on 2021 activities) and decarbonisation plan. Installation of special thermal insulation systems for our tyre presses led to a reduction in our energy consumption. Proud Patrons of One Life One Tree - The Sequoia Project. In 2025, we continued to engage in various biodiversity initiatives in support of SDG 15 (Life on Land)	261,000 tyres diverted from landfill in 2024 Formalised our ESG Policy (published in 2023)	  

SUSTAINABILITY REPORTING AND DISCLOSURE

Our sustainability strategy continues to be the guiding compass for Vaculug, shaping our business decisions and steering us toward a responsible and prosperous future.

Engaging with, educating and updating our stakeholders on both our sustainability goals and our progress remains central to this journey.

Since the publication of our first Sustainability Report in September 2022, when we became the world's first retreader to publicly disclose sustainability practices - we have remained committed to transparency and accountability.

Our Sustainability Reports not only communicate our achievements but also hold us accountable for the commitments we make along the way. Sharing our journey of sustainable transformation goes

beyond these reports. Over the last year, guided by our sustainable thinking culture, we have actively engaged our community on the environmental, social and economic issues impacting our industry. A clear example of this is the monthly sustainability-focused articles authored by our Chairman and shared on social media (see Appendix 5).

This commitment is also reflected in the actions of our employees and leadership team, who participate in sustainability-driven events throughout the year, translating our strategy into tangible impact.

As a purpose-led organisation, we are dedicated to addressing the environmental, social and economic challenges of our time. We see every challenge as an opportunity to innovate and improve toward our goals.

Our Sustainability Reports are more than a record of our efforts; they are a call to action. They embody our sustainable thinking and aim to inspire collaboration across the industry as we work together to create a better world.

OUR COMMITMENTS TO CREATE SHARED VALUE & ENGAGE OUR STAKEHOLDERS	HOW WE ARE TRACKING
We will create an annual Vaculug Sustainability Day that will focus on engaging and educating our stakeholders.	We held our first Sustainability Day in 2023. This did not reoccur in 2025, however it is planned for 2026..
We will hold Sustainable Thinking Forums, twice a year, to engage our customers, service providers and employees on sustainability matters related to our industry.	We held our fifth Sustainability Thinking Forums in 2024. Following feedback in 2024 we have changed the frequency of the event to once a year. Approximately 43 attendees participated in each event.
We will continue to identify and collaborate with organisations to create value for the industry and to accelerate our collective contributions to the global SDGs.	We have worked alongside other industry organisations to create more awareness.
We will continue to report on our progress with our annual Sustainability Report.	We have published our Sustainability Reports for 2022, 2023, 2024 and 2025.









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THE WAY FORWARD

"I have been impressed with the urgency of doing. Knowing is not enough; we must apply. Being willing is not enough; we must do."
Leonardo Davinci

THE WAY FORWARD

Since embarking on our journey of sustainable transformation, we have continued to make meaningful strides. While we take pride in the progress achieved so far, we recognise there is still much to be done to create the future we envision for our business, our communities and our planet.

Despite growing global efforts to address the many challenges the world faces, not least the climate crisis, it is clear that urgent action remains essential. As the science shows, 2025 continues to reflect the impacts of a warming world. These ongoing environmental shifts reinforce the need for leadership and decisive action.

UN Secretary-General António Guterres has reminded leaders that record-breaking global temperatures are no longer to be ignored and that imminent accelerated action is needed²⁷.

"The State of the Global Climate is in a state of emergency. Planet Earth is being pushed beyond its limits. Every key climate indicator is flashing red. Humanity has just endured the eleven hottest years on record. When history repeats itself eleven times, it is no longer a coincidence. It is a call to act,"

UN Secretary General António Guterres

While progress remains slower than required, we find inspiration in the advances being made through sustainable technology and innovation, including the initiatives Vaculug has led in collaboration with our employees, partners and customers. We are motivated by the human ingenuity and creativity driving this progress.

Looking ahead, the challenges before us are undeniably immense, but the opportunities they present are equally vast. Despite these challenges, we remain optimistic about the role businesses and industries can play in shaping a greener and more resilient economy.

"The future isn't just about who can grab the biggest market share. It's about who can help build a world where businesses thrive alongside a healthy planet. The companies that get this right will not only lead the way, but they'll also be the ones that survive and thrive in the long run."

Haarjeev Singh Kandhari

At Vaculug, we are committed not just to meeting these challenges, but to leading our industry toward a brighter, more sustainable future. Collaborating closely with our stakeholders, we are fully dedicated to contributing to the global SDGs. Over the last year, we have refined and strengthened our ESG practices and set bold targets for the coming years, with clear determination to achieve them.

Sustainable transformation is often described as a journey, and as the ancient Chinese philosopher Lao Tzu wisely said, "The journey of a thousand miles begins with one step."

We are proud of the steps we have taken and the progress we have made so far. Looking forward, we are inspired by the passion, dedication and motivation of our people, whose invaluable contributions have been instrumental to our success over the past 75 years and will continue to drive our journey ahead.

Celebrating our 75th anniversary in 2025 was a milestone that embodies Vaculug's sustainability, resilience, and growth. In 2026, we aim to showcase our continued drive, progress, and determination to create a better future for everyone.

As we move into the future, we will continue to collaborate with our stakeholders to realize our vision of a more sustainable and prosperous business, and a better world, for generations to come.

²⁷ Source <https://wmo.int/news/media-centre/earths-climate-swings-increasingly-out-of-balance> , Accessed March 2026







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APPENDIX 1

Vaculug University article by Suneel Gupta



EVERYDAY DHARMA: 8 ESSENTIAL PRACTICES FOR FINDING SUCCESS AND JOY IN EVERYTHING YOU DO

BY SUNEEL GUPTA

Renowned Harvard Professor & New York Stock Exchange's "New Face of Innovation"



Suneel Gupta teaches innovation at Harvard University and is the author of the upcoming book, *BACKABLE* (Little Brown, 2021) – exploring how to get people to believe in your ideas. The book is rooted in Suneel's journey from first-time entrepreneur to being named "The New Face of Innovation" by the New York Stock Exchange. Suneel's ideas have been backed by firms like Greylock and Google Ventures, and he served as an Entrepreneur in Residence inside Kleiner Perkins Caufield & Byers. He has personally

backed startups including Impossible Foods, AirBnB, 23&Me, Calm, and SpaceX. In 2019, Suneel established the Gross National Happiness Center of America in partnership with the Kingdom of Bhutan.

How to Discover Your Dharma and Find Fulfilment in Everyday Life

Part of the reason that I got so interested in this topic is because I was caught in a trap that I didn't really know how to describe, but today, I know how to describe it accurately. Dr. Tal Ben-Shahar, a lecturer at Harvard University and Columbia, caught my attention when I joined the faculty at Harvard Medical School. His research on happiness introduced me to the concept of the arrival fallacy. This fallacy suggests that we believe accumulating enough wealth, status, and achievements will lead to lasting happiness and fulfillment. Society conditions us to believe that we are constantly working towards this elusive moment. However, as we reach our goals, the goalposts move, and we realize that true happiness remains out of reach.

We often convince ourselves that the next client, deal, or partnership will finally bring us the fulfillment we seek, only to be disappointed when it doesn't. While we cannot change the way we have been conditioned, we can shift our perspective. Instead of relying solely on external success to find inner success, we can start by cultivating inner success in our everyday lives. By focusing on the little things that bring us joy and fulfillment in our work and daily routines, we can set ourselves on a path toward both inner and outer success.

Outer success is often more tangible and measurable, such as financial achievements or checking off goals from our list. On the other hand, looking inward and finding purpose and meaning can be more challenging. Personally, I have felt overwhelmed by the demands of my busy life, with little time to contemplate purpose and meaning. However, I have also experienced a sense of something missing, a feeling of languishing that became too much to ignore. I believe many people are currently experiencing this sentiment.

I recently came across a statistic stating that over 90% of individuals are actively seeking new job opportunities. Clearly, something is not working in our lives, and we are searching for answers. The concept of dharma, or our inner calling, offers hope. It aligns with what my grandfather used to refer to as our essence. When we express our essence, we come alive in a whole new way, feeling confident and creative. Conversely, when we neglect our dharma, we can feel lost and depleted. The good news is that we don't need to search for our dharma; it already resides within us. Just as Michelangelo saw the sculpture within a block of marble and chiseled away the layers hiding it, our dharma is waiting to be uncovered.

I can guarantee that you have been in touch with your

dharma at some point in your life. It may not have been in the past year; it could have been during your childhood. There is something about you that ignites your passion and animates you, even if it has been buried under others' expectations, judgments, and busy schedules.

However, there are simple steps we can take to chip away at these layers. There's a story I share about a woman, Mila, who works in a large technology company and feels unfulfilled in her job. Despite her desire to become a teacher, practical constraints prevent her from pursuing that path. She feels trapped with no other options. However, a mentor poses a profound yet basic question to Mila: What specifically do you love about teaching? By honestly answering this question and delving beneath the surface, Mila discovers that her true passion lies in helping people grow. Teaching was just one way to express that essence, but there were many others. As a result, she makes a small shift to a training role within her own company and department. This simple change transforms everything. Mila becomes a rising star, her family notices her newfound vitality, and she embodies her dharma in a remarkable way.

The essence of our conversation revolves around the belief that pursuing purpose and meaning does not require abandoning our current lives.

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APPENDIX 2

Thank you letter from Bomu Hospital



11th March 2024



MCS/ADM/0331/2024

Mr. and Mrs. Harjeev Khandari,
London,
United Kingdom.

RE: SUSTAINABLE BUSINESS MODEL FOR BOMU HOSPITAL

May I once again, on behalf of the Board and Management, thank you for your generous contribution towards the cost of the sustainability report for Bomu Hospital.

Prof. Paolo Taticchi, the lead consultant from the UCL School of Management visited the hospital from 5th to 8th of March to get a better understanding of the operations of the hospital. Towards the end of his visit, Prof Taticchi was able to articulate a proposed structure with several options that would enable the hospital reach its goal of self-reliance.

We now await Prof Taticchi to send us the final report with a roadmap to guide us on the implementation plan.

In order for Bomu to continue the noble work started by its Founder, Late Mrs. Hayati Anjarwalla, it is of paramount importance that a sustainability plan is developed and implemented. Your kind donation has made this possible for us.

May the Almighty bless you and your family.

Faithfully,

Dr. Aabid A. Ahmed, M.B. Ch.B., MSc. CRA (UK), PhD
Chief Executive Officer

BOMU HOSPITAL
A PROJECT OF MKOMANI CLINIC SOCIETY
P.O. Box 95683-80106
Tel.: +254 722 574 755 / 734 574 755
MOMBASA





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APPENDIX 3
Our Code of Ethics, published in March 2023

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MESSAGE FROM THE CHAIRMAN

Our commitment to ethical behaviour and the solid ethical foundations are one of the most essential components of Vaculug operation. We are committed to doing business the right way, based on a culture that respects our employees, partners, customers, communities, and ultimately the planet. In the long term, we see decarbonisation as the area where we can have the greatest impact, but we also recognize that sustainability risks, responsibilities and opportunities for our business encompass the full scope of Environmental, Social and Governance (ESG) factors.

We can successfully face the challenges of competitive market environment with moral and business responsibility, both as individuals and as a company. In performing the job duties, the employees should always act lawfully, ethically and in the best interests of Vaculug.

This is the heart of Vaculug from how we serve our customers to how we ensure a level and fair playing field that benefits societies far beyond our great shores here in the UK. Thank you for upholding our values and helping us doing things right. It does not only mean that we provide well made, fairly priced and of exceptional quality products and services, but it also means that ethics and integrity is always born in mind. We source material only from suppliers who have impeccable human rights and compliance records, and we ensure that our supply chain is of high integrity and we monitor our entire operation for compliance with our Code.

Haarjeev S. Kandhari
Chairman - Vaculug

INTRODUCTION

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This Code of Ethics serves as our ethical commitment and as a guide to proper business conduct for all of our stakeholders. We, at Vaculug are committed to doing business legally, ethically and in a transparent manner.

This document applies to all staff who work for the Vaculug (including officers, directors, managers, team leaders, employees, temporary, agency, interim, sub-contractor, or consultant staff), and also include own suppliers, service providers and business partners.

All staff are expected to adhere to this Code in their professional, as well as personal conduct, treat everyone with respect, honesty, and fairness.

VALUES

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Everything we do at Vaculug is built around three core foundational values:

- A FAMILY culture.
- A RESPONSIBLE approach to business.
- A past and future driven by INNOVATION.

A FAMILY culture

Our company has been built on a foundation that values the connection we have to our surrounding communities. Our community focused approach to business also applies to our own organisation and the culture we have created at Vaculug.

We believe the health and well-being of our employees is paramount. We have clear HR policies in place that set out to provide a safe and inclusive workplace for all. Additionally, through various employee engagement initiatives that we organise throughout the year, including the celebration of key personal and professional milestones, we strive to foster a safe and enjoyable workplace culture and environment for our Vaculug family, every day.

A RESPONSIBLE approach to business

Building a responsible business means respecting the planet and our surrounding communities and creating value with each of our stakeholders.

Our company is committed to fostering a culture that respects our employees, partners, customers, and communities. We are also committed to building a sustainable business that respects the environment.

Working in collaboration with our stakeholders, we are striving to minimise our impact on the planet while at the same time making a positive difference.

A past and future driven by INNOVATION

As a leading retreader, we are committed to continuously improve processes with aim of delivering products at the highest level of quality and safety, for our customers.

R&D initiatives improve and advance our manufacturing processes and products, not only for our company but for the industry. To ensure we remain on the leading edge of retreading, we are invested in the latest manufacturing technology. We are equally invested in leveraging the most advanced technology and software for our fleet management systems to ensure we deliver optimal service and peace of mind to our customers.

Our approach to embracing innovation and technology is what has built our company and positioned it as the industry-leader that it is today, and it is what will continue to pave the way forward and lead us towards a more sustainable and prosperous future going forward.

COMPLIANCE WITH THE CODE

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Managers and leaders have higher responsibility for demonstrating, also through their actions, the importance of this Code. Managers and leaders are responsible for promptly addressing every raised ethical question or concern. Employees must cooperate in investigations of potential or alleged misconduct.

Vaculug is open to any questions at any time and will not allow punishment or retaliation against anyone for reporting a misconduct in good faith.

Non-compliance to this Code considered as a misconduct that could warrant disciplinary measures as provided in legislation, collective agreements, or by contract.





COMPLIANCE WITH LAWS AND REGULATIONS

Our commitment to integrity begins with complying with laws, rules, and regulations relevant with Vaculug business. We are committed to adhere to every valid and binding contractual agreement that we conclude, and we do not abuse our rights.

The 'Quality, Environmental, Health & Safety' policy include our commitment to maintain the Health & Safety certifications.

Vaculug is also confirmed as a member of the Safety Schemes in Procurement (SSIP) Forum, which validates the company has demonstrated its compliance with the forum's core safety criteria.

Our Environmental Management System certifies our compliance with standards related to remoulding of tyres and associated activities.

Our staff must follow applicable laws and regulations, including the Code at all times and must ensure compliant operation.

SUSTAINABILITY: PEOPLE, PLANET, PROFIT & RESPONSIBLE GOVERNANCE

We are committed to meet current and future requirements in line with the needs of future generations. For this reason, integrated a comprehensive and ambitious sustainability or ESG (Environmental, Social and Governance) strategy into our business strategy and operations to hold ourselves accountable throughout the year.

Our sustainability strategy comprises several categories covering all material responsibilities, risks and opportunities across the environment, social and governance dimensions, and our work is guided by three core commitments:

1. We will take leadership in the decarbonisation of retreading.
2. We will ensure that our people thrive at work by providing a safe and inspiring workplace.
3. We will operate Vaculug based on responsible business practices.

Vaculug holds an A-Rating awarded by the UK Environmental Agency for the company's compliance with environmental standards and regulations, making us the only retreader in the world to have an A-Rating tyre.

Our sustainability goals are also aligned with the Tire Sector SDG Roadmap, making us the first and only independent retreader in the world to align with larger multinational organisations across the industry.

Our approach to building a responsible business is guided by the stewardship of our company's vision, mission, and core values. We recognise that on this journey, sound and responsible Corporate Governance is essential.

HUMAN RIGHTS

We are committed to respect human dignity and rights of each individual and community whom we interact with during the course of work. We shall not, in any way, cause or contribute to the violation of human rights. Our staff shall treat everybody with dignity, respect, integrity, care and uphold human rights anywhere in our own business or in any of our supply chains.

The HR policies "Anti-Slavery" and "Human Trafficking" reiterate our zero-tolerance approach to modern slavery and human trafficking.

Guided by our core family values, it is our belief at Vaculug that everyone deserves to be treated with respect, and to be fairly compensated for their work and contribution to the growth of the organisation.

FAIR LABOUR PRACTICES AND WORKING CONDITIONS

We are committed to promote equality in our employment practices and to fair employment and remuneration policy in compliance with applicable laws. We are firmly opposed to employ or contract child or slave labour or any form of forced or compulsory or bonded labour. We condemn all forms of illegal, unfair, unethical labour practice that exploits workforce, destroys social security, or serves as tax evasion, including but not limited to undeclared and "grey" work or holding back wages.

Our approach to recruiting and hiring guarantee a fair and equal chance for all candidates. We set out to select the best person for a position - regardless of sex, race, colour, religion, ethnic origin, age, disability, or sexual orientation, as is stated in our hiring policy. Our hiring procedures and policies are clearly communicated in our internal Human Resources Recruitment & Selection document, which acts as a guide for our HR Team as they look to promote, hire, and expand our Vaculug family.

DISCRIMINATION AND HARASSMENT

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We provide equal opportunity in employment and we do not tolerate any discrimination or harassment or any type from abuse. No direct or indirect discrimination shall take place based on any professionally non-relevant trait or circumstance, like gender, marital status, age, national or social or ethnic origin, colour, religion and political opinion, disability, sexual orientation, employee representation, property, birth, or other status. Any kind of discriminatory behaviour, harassment, bullying, or victimization is prohibited.

All staff is expected to follow the highest standards of conduct in all verbal and written communication based on mutual respect, and must refrain from any form of harassment, slander or any behaviour that could be taken as offensive, intimidating, humiliating, malicious or insulting.

HEALTH, SAFETY AND ENVIRONMENT

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We provide clean, safe, and healthy work conditions and we are dedicated to maintaining a healthy environment. We are committed to minimise the impact on the natural environment of our operations. We make efforts to reduce the use of finite resources, like energy or water, and the harmful emissions, like waste.

In line with our commitments, all Vaculug employees are expected to adhere to the company's 'Quality, Environmental, Health & Safety' policy, standards, and procedures. This policy is shared and communicated to all team members by means of induction, training and by being displayed on our

premises. Vaculug is also confirmed as a member of the Safety Schemes in Procurement (SSIP) Forum. Our commitment to delivering the highest standard products and services is reinforced in our 'Hiring & Recruitment' policy. During the selection process, every effort is made to ensure that potential employees, including those moving into new jobs within the company, fully understand the requirements of their roles in accordance with Quality Standards.

As a zero-landfill operation, our retreading and recycling efforts continuously minimise our environmental impact by reducing our carbon footprint on all aspects of the supply chain.

Our efforts to minimise finite resources consumption are highlighted by our ongoing water usage monitoring and our energy use reduction programme. All staff must follow and comply with every relevant health, safety and environmental protection laws, regulations and rules all times.

FAIR COMPETITION AND BUSINESS CONDUCT

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Our relationships with business partners are built upon trust and mutual benefits compliant with competition law. We are dedicated to ethical and fair competition, as we sell products and services based on their quality, functionality, and competitive pricing. We will make independent pricing and marketing decisions and will not improperly cooperate or coordinate our activities with our competitors. We will not offer or solicit improper payments or gratuities, nor will we engage or assist in unlawful boycotts of particular customers.

We do not allow any violence of the fairness of any tendering process in any way. We refrain from damaging competition and the reputation of any business partners and any behaviour that harms competitor's creditability.

We do not hold back maliciously, unlawfully, or unduly payments towards our partners, and we do not allow such practices in our supply chain, we fight the unethical practice of "debt chain". Our staff is responsible for ensuring fair business during their job and adhere to every competition, consumer protection and fair marketing rule. Customers and business partners shall be treated fairly and equally, products and services shall be displayed in a manner that is fair and accurate (fair

marketing and advertising), and that discloses all relevant information.

ANTI-CORRUPTION

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We firmly condemn and do not tolerate all forms of corruption. It is prohibited directly or indirectly offering, promising, giving, asking, soliciting, or accepting any unfair advantage or benefit, in order to obtain, retain or facilitate in any way the business. An unfair advantage or benefit may include cash, any cash equivalent (e.g., voucher), gift, credit, discount, travel, personal advantage, accommodation or services. We do not permit facilitation (or “grease”) payments to government officials or private business in order to secure or speed up routine actions. Corruption also covers the misuse of function or position as well, when someone makes that false appearance that he/she improperly influences a decision maker.

Corruption for either to obtain or retain business, or to obtain or retain an advantage in the conduct of business is considered gross misconduct. Similarly accepting or allowing another person to accept a bribe is considered gross misconduct. Our staff has to account for all benefits received in the course of doing business and must to not give or receive bribes or otherwise act corruptly.

GIFTS AND HOSPITALITY

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We shall avoid any actions that create a perception that favourable treatment was sought, received, or given in exchange for personal benefits.

Business courtesies or benefits include gifts, gratuities, meals, refreshments, entertainment or other advantage from persons or companies with whom we do or may do business. We will neither give nor accept such benefits that constitute, or could reasonably be perceived as constituting, unfair business inducements that would violate law, regulation or policies, or would cause embarrassment. Our staff may never use personal funds or resources to do something that cannot be done with our resources.

We may accept and offer occasional gifts and hospitality that are customary and conform to reasonable ethical practices of the market, provided

that they are not inappropriately excessive, not frequent and do not reflect a pattern of frequent acceptance, does not create the appearance of an attempt to influence business decisions. Only trivial gifts with low value can be accepted. All other gifts must be politely refused or, if received through post, returned to the donor. If return is not possible it shall be offered for charity or community purposes. It is the responsibility of the person offering, providing, receiving, or accepting the gift to decide whether the gift is appropriate.

SECURITY, PROTECTION, AND PROPER USE OF COMPANY ASSETS

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We are responsible for the security, protection and for the economic use of company resources. Our resources, including time, material, equipment, and information are provided for legitimate business use only. Occasional personal use is permissible as long as it is lawful, does not affect job performance or disrupts workplace morale.

All staff is obliged to follow appropriate security measures and they should treat company property, whether material or intangible, with respect and shouldn't misuse company assets or use it carelessly.

CONFIDENTIALITY, INFORMATION SECURITY, PROPRIETARY INFORMATION, AND INTELLECTUAL PROPERTY

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We are committed to business information confidentiality, integrity, and accessibility, we implement proper technical security measures this and it is our staff's obligation to uphold this. Proprietary information includes all non-public information that might be harmful to the company or its customers, business partners if disclosed to unauthorised parties. All staff must handle any such information as secret. Every rule ensuring information security must be followed all times.

We respect the property rights of others. We will not acquire or seek to acquire trade secrets or other proprietary or confidential information by improper

means. We will not engage in unauthorized use, copying, distribution or alteration of software or other protected intellectual property.

Our staff must observe the legal requirements, apply compliant practices and follow related procedures to ensure legality of personal data handling and processing activities.

ANTI-FRAUD

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Fraud – the act or intent to cheat, steal, deceive or lie – is both unethical and, in most cases, criminal. Fraud in every form, (including e.g., submitting false expense reports; forging or altering financial documents or certifications; misappropriating assets or misusing company property; making any untrue financial or non-financial entry on records or statements) is prohibited.

CONFLICT OF INTERESTS

Our decisions shall be based on objective and fair assessments avoiding the possibility of any improper influence. A “conflict of interest” exists when an employee’s personal interest (that can be linked to e.g., friends, family, or customer, competitor, supplier, contractor entity, as well) interferes or potentially interferes with the best interests of Vaculug. Determining whether a conflict of interest exists is not always easy to do, thus anyone with a conflict-of-interest question should seek advice from management.

If co-workers become involved in personal relations with each other, the onus is on the senior employee concerned to bring this to the attention of his or her manager to confirm that there is no conflict of interest, nor will a conflict of interest arise.

PRIVACY, PERSONAL DATA PROTECTION

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We respect people’s privacy and we acknowledge customers, employees and other natural persons’ need to feel confident that their personal data is processed appropriately and for a legitimate business purpose. We are committed to comply with all personal data protection laws. We only acquire and keep personal information that is necessary, and we give proper information on these activities to data owners. We implement proper security measures to assure confidentiality, integrity, and availability of personal information.

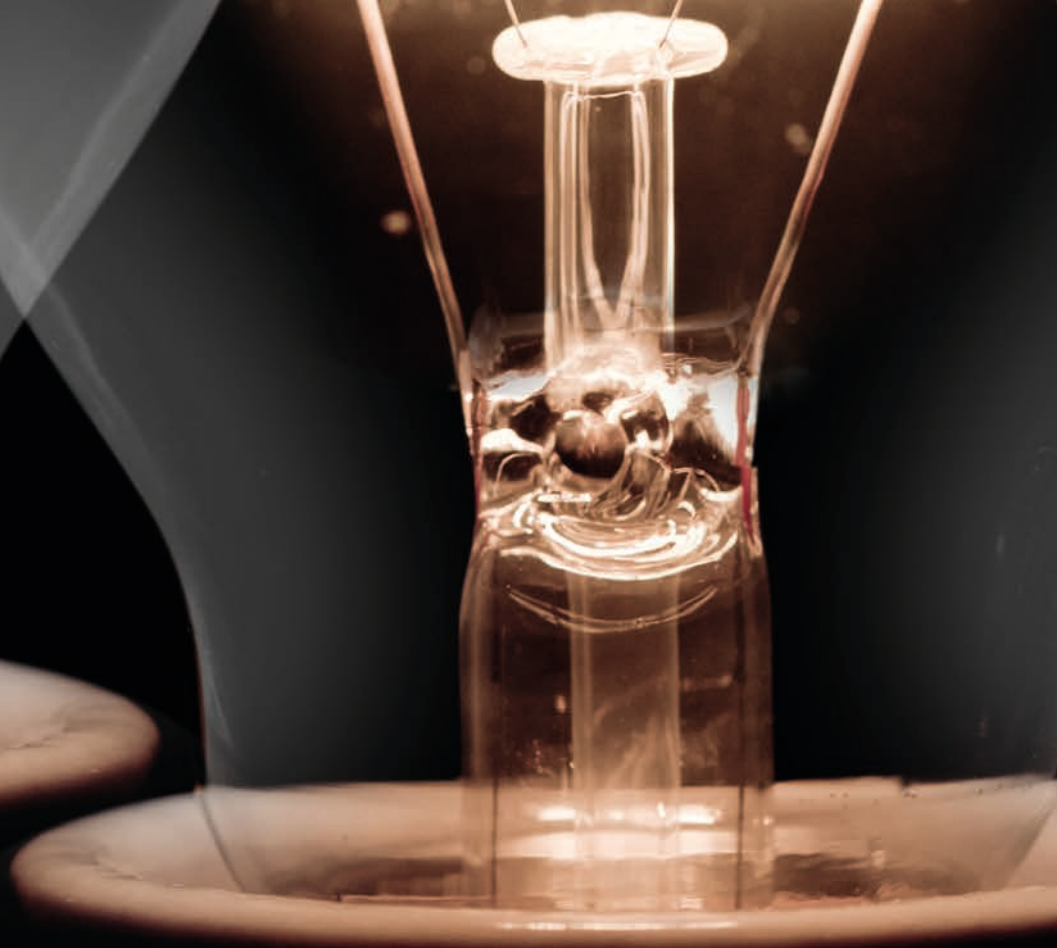
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APPENDIX 4
Our ESG Policy, published in June 2023

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1. About this policy

1.1 Environmental, social and governance issues do not exist in a silo. Vaculug is passionate about bringing them together under one banner to demonstrate the positive impact our business is having on the world. ESG is much like corporate social responsibility but on a vastly larger and more measurable scale. Companies who are at the forefront of talking about their ESG scores are generating more attention from across the business spectrum, and investors are actively looking for high ESG scoring companies.

1.2 This policy will inform our ESG efforts moving forward. This includes, but is not limited to reporting, disclosures (both material and non-material), business practices, policies, procedures, investments, board activities, stakeholder engagement, and investor relations.

1.3 Nothing in this policy shall be taken or understood to limit or reduce our current committees, both legally and ethically.

2. Purpose of this policy

2.1 The purpose of this policy is to provide information about Vaculug's ESG (Environmental, Social and Governance factors) and to encourage the business to understand ESG better.

2.2. This policy has been implemented across the whole company.

2.3 This policy does not form part of any contract of employment or other contract to provide services, and we may amend it at any time.

3. Who is responsible for this policy?

3.1 The Vaculug Directors and senior management team has overall responsibility for the effective operation of this policy.

3.2 Line managers have day-to-day responsibility for this policy and you should refer any questions about this policy to them in the first instance.

3.3 This policy is reviewed annually by the directors and senior management team. Changes may be made at any time as government guidance develops.

4. Our ESG commitment

4.1 We strive to build sustainable, equitable, healthy, and diverse communities through a combination of innovative business practises and exemplary environmental, social and governance (ESG) performance. This commitment informs every aspect of our business, including how we design and build new projects, operate our company, collaborate with stakeholders and report progress.

4.2 This ESG Policy sets out our approach to sustainability matters. At the heart of the Policy is a corporate culture that has sustainability at the core of all our business operations and values.

5. Our statement on climate change and the environment

5.1 Vaculug are committed to driving down our energy and carbon impacts, as we believe that climate change is one of the greatest risks to our world. Our sustainability program is committed to environmentally sustainable initiatives that deliver near-term efficiency, value, and health for our business, our people, and the wider community.

5.2 We encourage our customers to reduce their impact on the environment by recommending the use of more sustainable materials. We actively promote a paper-free office. We regularly support our clients to avoid printing and we will make all endeavours to be a digital-first business.

5.3 We seek to comply with current environmental legislation and work to minimise the impact of our activities on the environment.

5.4 We support the recommendations of the Taskforce on Climate-related Disclosure (TCFD) and engage with our stakeholders and encourage enhanced disclosure on climate change, biodiversity, and the SDGs, including efforts to advance the underlying goals, such as those of the Paris Agreement.





6. Our statement on social responsibility

6.1 Our focus is to deepen relationships with our key stakeholders by investing in our employees and partnering with our customers, communities, investors and suppliers.

6.2 We are committed to engage with our employees to provide a challenging, dynamic, inclusive and diverse work environment that supports their professional development, as well as promoting a good work-life balance that prioritises their overall health and wellness.

6.3 We will support initiatives that benefit the environment, human welfare and education. This includes skills training that advance workforce talent pipelines for our customers and economic development in the communities in which we operate.

6.4 We will engage suppliers, customers and employees around safety, health, and wellness.

6.5 We will preserve and promote the protection of human rights and welfare within our own business activities, as well as those of our supply chain, in accordance with our Code of Ethics and the Modern Slavery and Human Trafficking Policy.

7. Our statement on ethical governance

7.1 Our focus is to promote strong oversight, transparency and risk management at all levels of our organisation, ensuring resilience and long-term preservation of value for our business.

7.2 We will maintain strong corporate governance practices through exemplary board stewardship, management accountability, and proactive risk management.

7.3 We will mitigate risk exposure and build the resilience of our business to climate change and other catastrophic events through smart design and sighting.

7.4 We are committed to high ethical standards through a strong Code of Ethics, ongoing ethics training, and executive leadership that promotes a culture of integrity.

7.5 We cultivate strong stakeholder relationships through transparency, open communications, and responding to stakeholder input.

7.6 We establish clear and effective governance for ESG, set goals and establish accountability. This is set through our ESG committee and reported to our board.

8. Our business and ESG

8.1 ESG is about assessing that net positive impact in the world, and taking concerted, defined and measurable action to improve it. Our value rests in our employees, our communities, and the wider world. Therefore, ESG forms a fundamental part of how our business lives our values in the real world.

8.2 The ethical and practical values that make up the different parts of ESG have always been at the heart of what we as a company stand for. With the growth of ESG and the increased awareness of these factors among our key stakeholders, we have a better opportunity to tell the story of how our business makes a positive impact in the world.

8.3 The drive to assess a broader range of factors in a holistic manner, from environmental and climate change considerations to the social issues and how we invest in our people, to the structure of our business and always reaching for better governance, means we can tell our story better. We welcome opportunities to highlight the positive impact we have on the world.

9. Our duty to the wider world

9.1 As a business, we also have a duty to our people, our customers, and the wider world. ESG gives us an opportunity to bring those impacts together. We value investing in our people as we value protecting our environment and being a good corporate citizen.

9.2 Fostering openness, sustainability, and respect are our key objectives. We value everyone and strive to work as one team. Our view on ESG is that it is a continuous process of aligning our operations and controls with our values as a company.

9.3 Our commitment to improve our social and environmental performance demonstrates a strong, well-informed management attitude and a values-led culture that is both alert and responsive to the challenges and opportunities of doing business responsibly and sustainably.



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Environment



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Social



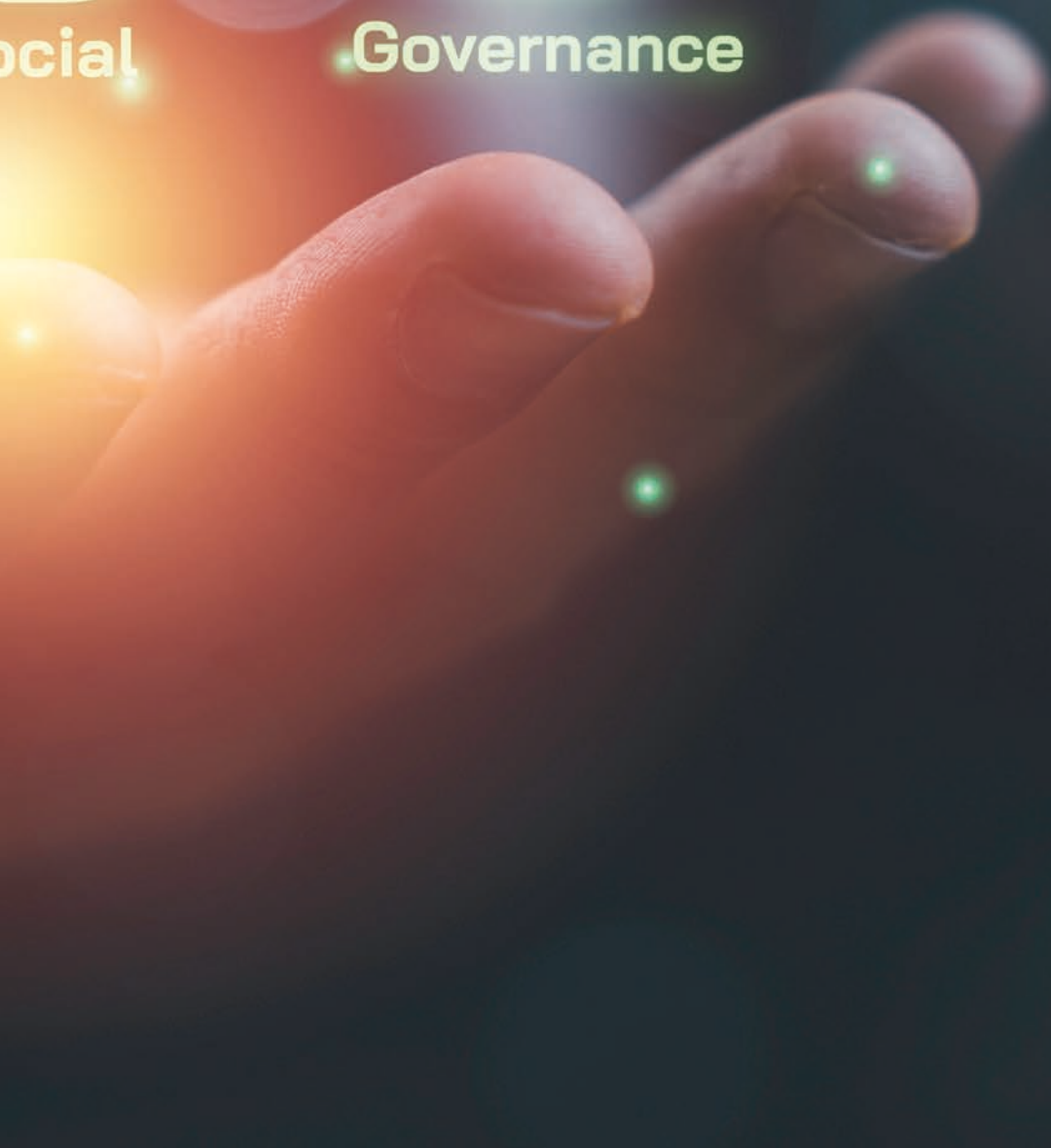
S

ocial



G

Governance



10. ESG and our reputation

10.1 ESG is fundamental to our reputation as a business. Reputation is built through frequent and repeated interactions with stakeholders. When those interactions are positive, our business, and our reputation, can thrive. In an uncertain economic climate, positive reputation is one of the key drivers to long term success.

10.2 We want all our stakeholders, from customers to investors to our people, to be proud to be a part of our business. Part of that pride is understanding how our business makes a positive contribution to the world.

10.3 Environmental - Environmental sustainability is an ethical and commercial imperative. Managing our carbon footprint goes hand in hand with the strategic necessity to operate efficiently. Our commitment to tackling climate change at a corporate level is fundamental to our strategic objectives.

10.4 Social - Our people make up our business. Intellectual capital is core to our clients, our business model and our long-term sustainability as a business. We aim to foster an environment that values and nurtures unique talents and contributions from every individual within a culture of inclusivity. While we have progress to make, we are committed to cultivating and empowering change by building an inclusive workplace where all talents can thrive.

10.5 Governance - Good governance is foundational to our business, and all aspects of ESG. We cannot thrive without paying attention to our compliance obligations. Our business seeks to go beyond the concept of "box-ticking" and embed compliance into the heart of our business.

11. Our responsibility to our customers

11.1 We have an obligation to our customers to offer them the best service. Customers are at the heart of our business, and without these partnerships our business wouldn't exist. Part of that commitment to customers is about responding to their needs, hearing their concerns and committing ourselves to customer satisfaction.

11.2 The best customers are those who see us as partners in their own enterprise. In turn, those customers reward us with their continued business, and building and maintaining our world-class reputation.

11.3 ESG priorities are drawn not only from investor concerns but customer needs. Customers are asking how we are improving the world around us. How are we protecting our shared natural heritage, investing in our communities and being good corporate citizens? It is imperative on us as a business that all of our interactions with customers are reflective of who they expect us to be. And that is a partner in their own enterprise. A company they are proud to work with and

11.4 That is why it is important for you to understand ESG, its impact and what it means for our company. We want you to feel proud of being part of our business and the positive impact we have on the world, so that our customers will feel the same.

12. Your role to play in ESG

12.1. As a member of our business, you have a vital responsibility to ensure our organisation thrives. When it comes to ESG, this means understanding your role in each area of ESG. You can start to do this by familiarising yourself with the concept of ESG, such as through this course, and also our strategic objectives around ESG. You should know:

- Our strategic ESG goals
- How we plan to achieve them and over what time
- Your individual and team contribution to those goals
- How to discuss our ESG goals with customers and third parties
- Where to report potential concerns or actions which go against our policy

12.2 On an individual level, you have an important role to play in meeting our ESG objectives. Here is how:

12.3 Environmental - We all have a role to play in reducing carbon emissions and getting to net zero. While as a business we are setting organisation-level targets, consider the choices you make and the environmental impact. For instance:

- When travelling, are there more environmentally friendly options to take?
- Can some meetings be done remotely instead of travelling?
- Think before you print
- Does the office have recycling and energy saving measures?

12.4 Social - Building a diverse and inclusive workforce where everyone feels valued is everyone's responsibility. Understanding your role in bringing people together is critical to our success as a business. From hiring the best talent to encouraging all staff to thrive, we want a workplace where people proactively work to be the best. You can help by:

- Challenging and reporting discriminatory or offensive behaviour
- Understanding diversity and inclusion policies
- Being an active ally for groups often underrepresented
- Leading by example in your work





12.5 Governance - Good governance goes beyond having the right policies and procedures in place. It's about embedding compliance in your day-to-day work. From completing training on time to actively understanding how regulations affect your work, good governance starts from the individual acting ethically. Take governance to heart by:

- Be a compliance champion in your team
- Refer to policies and procedures instead of shortcuts
- Be aware of red flags for compliance failures and risks in your area of work
- Don't be afraid to call out poor behaviour or report failures

13. ESG and our value chain

13.1 Our business does not operate in isolation; almost no company does. Value is created through collaboration and partnerships. Similarly, risks can come from not anticipating problems, gatekeeping, and hiding critical information. Traditional risks in supply chains were generally about quality, cost effectiveness and reliability. But seen through an ESG lens, the holistic nature of the third parties, from how they source raw materials to how they treat workers and comply with accepted standards are just as vital.

13.2 A workforce health and safety incident, labour dispute or allegation of corruption can have serious impacts on stakeholders up and down the value chain. The value chain matters, and it is connected. Customers are increasingly voting with their feet and putting pressure on companies to act with ethical decisions in mind.

13.3 Ethical procurement gets to the heart of the value chain. When we consider the entire value chain, from raw material supplier to end use customer, we can better understand the needs and impacts of our business's decisions within those relationships. Ethical procurement within the context of ESG means paying attention to the carbon impacts of a supplier, and the labour practises of an end-user.

13.4 Considering these impacts doesn't always mean refusing to work with someone in the value chain where there are concerns. Sometimes suppliers are limited, and customers have every right to access our services. It's about understanding the risks within each relationship and taking concerted action to reduce those risks.

13.5 For example, if there are concerns about a supplier's labour practises, we can ensure clauses are inserted into contracts to maintain an adequate standard of employment for those working for the supplier. This can help actively change labour practises, as opposed to simply refusing to work with a supplier. Or when working with a logistics provider, we might ask for emissions reporting so we can then offset the carbon used.

14. How to procure ethically

14.1 Risk assessments: Undertake risk assessment of the value chain to identify key vulnerabilities based on supplier and customer needs.

14.2 Real-time tracking: Real-time tracking and traceability over suppliers and movements of goods and services.

14.3 Screening, risk-ranking & monitoring: ESG due diligence on suppliers to evaluate and rank them based on their ESG profile and track record, and monitoring for ESG breaches.

14.4 Investigations: Investigate ESG incidents that take place in the value chain, have remediation plans ready and manage financial and reputational damage.

14.5 Incident response management: Build robust internal governance frameworks to respond to ESG issues in the value chain.

15. Our ESG Guardians

15.1 Our ESG guardians sit directly beneath our board in terms of seniority. The purpose of the Guardians are to gather and review data from broad parts of the business, then filter and summarise it upwards to the board. The ESG guardians are responsible for writing the ESG pages inside the annual report, and producing all information regarding ESG disclosures.

15.2 The aim of the guardians is to establish a unified view of ESG, increasing understanding of all three aspects, environmental, social and governance, and to promote robust standards of corporate governance that integrate all these aspects for non-listed real estate vehicles. This will help the industry more effectively integrate ESG factors into the real estate investment decision-making process.

15.3 The key objectives of the guardians are to:

- Emphasise the importance of environmental measures, sustainability goals and performance, at all levels of the business.
- Provide best practice on the structure, policies and regulations that impact the business
- Increase understanding and awareness of corporate governance and social aspects that impact the industry.
- Implement and promote common and workable standards of corporate governance for the business.

16. MONITORING AND ENFORCEMENT

16.1 We seek to proactively prevent and mitigate instances of non-compliance with this ESG policy.

16.2 Any breaches or concerns, including ethical concerns or potential breaches in our commitment to high ethical standards should be reported as soon as possible through our whistleblowing channels.

16.3 Progress on this policy is reported to the Board on a regular basis. Active participation and engagement at all levels of the business is of great importance to ensure ownership of ESG by all staff. At minimum, we endeavour to maintain compliance with legislative requirements.







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APPENDIX 5
Sustainable Thinking articles published
by our Chairman in 2024



Haarjeev Singh Kandhari
Chairman at Vaculug - Europe's largest
independent reader

+ Seguir

2024: THE YEAR OF THE MUPPET

January 10, 2025

As we start 2025, for some it's a chance to look back on all they've achieved in 2024, while others will just be glad to see the back of it. But there's one thing we can all say for certain, which is that 2024 has been, without a doubt, the undisputed year of the muppet.

But who wins the crown when there are so many worthy contenders to choose from?

Firstly, we have the eco-loonies Just Stop Oil, who have helped tackle the issue of climate change by courageously gluing themselves to roads, throwing paint over priceless artefacts and generally making complete prats of themselves.

Apparently, these upper class 'activists' needn't worry about such trivial things as finding or maintaining employment in the middle of a cost of living crisis. They're far too busy proving, time and again, that disrupting the lives of ordinary working people, rather than those who actually have the power to make the changes that are so drastically needed, is a highly effective way of achieving absolutely nothing.

And I for one can't wait to see all the new and inventive ways in which they plan to add to their long list of achievements by becoming even more of a pointless irritant in 2025.

Then there's our new(ish) Prime Minister, Mr Charisma himself, Sir Keir Starmer, who has made such a good impression on the British public in his first few months of leadership that people are already calling for a general election. And who can forget about his government's 'plan' to reach net zero, which makes about as much sense as building a sandpit in a desert.

To think that so many people had such high hopes after 14 years under Conservative rule, only to see it all come crashing down quicker than you can say 'passes for glasses'. Of course, it was of no surprise to the rest of us, who have long since concluded that most of modern Western politics is akin to

choosing between a rock and a hard place anyway.

But still, it's quite something to make so many stupid decisions that you manage to alienate vast numbers of loyal lifelong Labour supporters in such a short a space a time. So, hats off to Keir for a job well done.

The Tory government that preceded Keir and his merry band of morons were equally as impressive, having flip-flopped and reneged on their environmental promises so many times, that if U-turning were an Olympic sport they would have got the gold.

And special mention has to go to Theresa May, who despite having not been in power since 2019 leaves behind a unique legacy, the ramifications of which we are still dealing with to this day. Because it was Theresa May's government that bravely pioneered the way for other stupid people, by legally binding the UK to a net zero promise that only makes sense in the imaginations of the terminally gullible. A decision, which may I add wasn't ever put to the British public and that took all of 88 minutes to be quietly pushed through the House of Commons. So much for democracy, eh?

And of course, who could forget Ed Miliband, who as we explored in my last post, is seemingly on a one-man crusade to 'protect the environment' by bankrupting the country and, in the spirit of Just Stop Oil, ruining the lives of ordinary people, the very people his party is supposed to represent. But how can he be expected to protect the interests of the working class, when there are so many delusional decisions to make and all that creative carbon accounting to be done? There's just so much climate and so little time...

With such fierce competition, it's almost too close to make a call. But there can only be one winner. So, who takes first place for the ultimate muppet of 2024?



Haarjeev Singh Kandhari
Chairman at Vaculug - Europe's largest
independant retreader

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LABOUR'S GREAT GREEN TAX RAID!

February 18, 2025

If Labour are to be believed (which is a stretch given their recent form and the fact that they're politicians), then Britain is in for a pretty unhappy 2025, financially speaking at least.

Rachel from Accounts, in her infinite wisdom, has imposed £40 billion of tax rises to supposedly help promote growth and lift the country out of economic stagnation. Of course, she argues that the decision was prudent, given the current dismal state of the economy and public finances... blah, blah, blah... which is of course, unequivocally 'all the Tories' fault'.

Obviously, it's got absolutely nothing to do with Ed Miliband's ruinously expensive net zero policies, which have created a fiscal black hole in the UK's economy of such epic proportions that no muppet in government has any idea whatsoever how to even begin filling it.

And in fairness to Labour, they're just continuing what the Tories started when they legally committed the country to this net zero nonsense back in 2019. But, is it really any wonder that everything from taxes through to insurance and energy costs are rising at such an alarming rate?

What we are seeing is a government in panic. And once again, it will be the common person who has to pick up the bill for this madness, while the rich get inexplicably richer still. I mean why go after the big players whose wealth and global influence can ensure the best legal representation that money can buy, when you can just hammer the little guy instead?

Let's take the government's recent decision to grant further tax subsidies to Drax, a wood-burning power station based in Yorkshire that has already received billions of pounds of taxpayer's money. And why? Because wood pellets are classed as a source of renewable energy and the industry is therefore classed as carbon neutral. But what the company doesn't like to publicise is the fact that of the 27 million trees the plant burns per year, not a single one is grown in Britain.

So, how do the trees get to the UK? Well, unfortunately as teleportation is yet to be invented, the only option is for them to be shipped from the USA and Canada on massive diesel-powered vessels. But never mind because the carbon cost is simply added to the exporting country's carbon balance sheet. So, the environment and the taxpayer's loss is Drax's gain. Genius!

Now, Labour has halved the company's subsidies to £470 million a year (my gosh, how ever will they cope?), and placed restrictions on their business operations to supposedly help limit the environmental damage caused by this 'carbon neutral' industry. But the message is clear. Labour apparently takes no issue in offering tax breaks to billion dollar companies, while simultaneously raiding the bank accounts of the very working people the party claims to represent. The expression 'robbing Peter to pay Paul' suddenly springs to mind...

We keep hearing about the 'cost of living crisis', yet I think what we're actually experiencing is a cost of greed crisis. And that's what makes me suspect that many of these 'green policies' have nothing to do with protecting the environment and everything to do with lining the already overflowing pockets of the big corporations. How else do you explain the fact that so many are able to exploit the system, pollute the planet with impunity and still make unacceptably large profits, while the rest of us are left to pick up the ever-increasing tax bill?



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ED MILIBAND: THE MUPPET RUNNING BRITAIN'S ENERGY POLICY

March 15, 2025

#sustainablethinking #edmilibandisamuppet

Ed Miliband has a vision: Britain, the clean energy superpower! The only problem? His plan comes with no actual energy.

While the UK is busy virtue-signaling about net zero, the rest of the world is getting on with reality. The US? Under Biden, oil and gas production has hit

record highs. China? Drilling, mining, and burning more fossil fuels than ever while slapping up some solar panels for PR. And Britain? We're the only major economy still clinging to the Paris Agreement like it's holy scripture, while our energy prices are four times higher than in the US.

Industry is responding the only way it can—by leaving. No one is rushing to set up factories in the UK for our “cheap” renewables. The only thing Miliband's green dream is superpowering is an economic exodus. And does he care to support the ones that are actually staying to support the economy (hint- Vaculug!!). Hell no! He would rather give the money to Drax! After my last article I got asked for some more information on Drax!

So here it is!

For some reason, we're chopping down entire forests in the US, shipping them across the Atlantic, burning them in Yorkshire, and calling it “zero carbon” because the trees weren't cut down here. You can't make this up. Muppet logic at its finest! Miliband just threw hundreds of millions in further subsidies at them! This is after £7 billion has already been thrown at this madness, and Drax shareholders are laughing all the way to the bank. Why wouldn't they? When your business model is fleecing taxpayers for imaginary climate benefits, it's a great time to be alive.

But wait—could there be a glimmer of sanity? A massive gas field is discovered in Lincolnshire. It holds seven years' worth of UK gas and could bring in £27 billion in taxes. Not only would this make energy cheaper, but it would cut CO₂ emissions compared to importing liquefied gas from halfway across the world.

So what does the government do? “Nope! We're banning fracking for good!” Because apparently, British gas is bad, but imported gas is fine. Makes perfect sense if you're a muppet.

Meanwhile, what's getting fast-tracked? A gigantic solar farm in Lincolnshire, owned by Ecotricity—a company whose founder has conveniently donated £5 million to Labour. Just a coincidence, obviously. Forget the fact that this farm will take up hundreds of times more land than the gas field and produce nothing when the sun isn't shining. Miliband's masterplan? A fossil-fuel-free grid by 2030. National Grid experts say this is borderline impossible, but Ed calls it “independent expert analysis.” Translation: total nonsense. Even former energy bosses are warning this will send costs soaring while putting Britain at risk of blackouts.

So here we are. The only country deliberately crippling itself in the name of net zero while the US and China laugh all the way to the bank. Instead of securing cheap, reliable energy, we're burning American forests, blocking our own gas, and pretending solar panels will work 24/7.

The result? Higher bills, failing industry, and an energy policy built on delusion. Well done, Ed. Well done also for winning Muppet of the Year in my poll! God Bless you and more importantly God Bless this beautiful country! We are going to need it!



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THE DARK SIDE OF GREEN!!

April 16, 2025

The Government has been in crisis talks to avert the shutdown of British Steel after the Chinese owners, Jingye, announced plans to close its two blast furnaces and cease steelmaking operations in Scunthorpe. This would leave the UK as the only G7 country without the ability to make steel domestically from scratch, after the Indians - Tata - announced last September that they would also be closing the two blast furnaces at Port Talbot for the final time.

The government was prompted into action after learning that Jingye had stopped ordering new raw materials and had plans to sell off existing supplies, which is why ministers rushed through an emergency bill to effectively bring the steelworks facility into government control stealing them back from the Chinese!

However, with energy costs (along with everything else) rising at an unprecedented rate, Trump's recent 25% tax tariff on steel imports to the US, and a net zero policy that seems contingent on destroying all that remains of British industry, can you really blame Jingye for wanting to shut down operations and jump ship?

But more importantly, how did the UK find itself in this position in the first place? In the clamour to reach net zero and decarbonise the country, the government

has essentially shot itself in the foot by imposing ever-increasing 'green levies' on high-energy industries in an attempt to somehow balance the books. As a result, according to Britain's leading economist Sir Dieter Helm, "No companies are flocking to the UK to get access to the promised low energy prices, which were to be the result of switching from fossil fuels to renewables."

Indeed, rather than the net zero benefits that we were promised, from lower energy prices and lucrative 'green' jobs, the country instead faces sky-high living costs, energy prices that are four times higher than the US and vastly exceed that of any other European country, rising inflation, and a stagnant economy.

The amount high-energy UK-based businesses are paying in electricity costs alone is astronomical, and the meagre subsidies and 'rescue packages' offered by the Government do very little to offset what works in effect as yet another 'green tax'. So is it really any wonder that that we're seeing a mass exodus from the likes of Tata and British Steel alike?

However, the real question, from both a fiscal and environmental perspective — is our plan to reach net zero really worth the inevitable consequences, only some of which we as a country are now experiencing?

Whilst the UK's last remaining coal-fired power station closed last year, India recently celebrated producing 1 billion tonnes of the stuff, as China builds new coal plants all across the country to increase production and help meet domestic and global demand.

In Britain on the other hand, we have Drax, an energy plant that imports trees on a vast scale and converts them into wood pellets. They receive millions of pound in tax subsidies because trees are considered a renewable energy source, despite the fact they can only be imported to the UK by using massive diesel-powered ships.

And now we're also having to import raw materials from Australia and the US to keep the blast furnaces in Scunthorpe burning. This carbon offshoring may make Britain's plan to reach net zero look like it's working, but is it all worthwhile if we're emitting just as much, if not more, CO₂ than before?

Unfortunately, British steel isn't the first casualty of Britain's plan to reach zero, and unless the Labour government changes strategy, they almost certainly won't be the last. And so surely, the time has come to ask the question — is the plan to reach net zero really fit for purpose? And who really benefits from

this net zero plan? The person that perhaps owns the seabeds where all the wind farms are placed?



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IS TONY BLAIR A MUPPET OR DOES HE HAVE A POINT? OR BOTH?

May 20, 2025

Tony Blair has called for a "major rethink" of the UK's net zero policies because, according to him, the current strategy is "doomed to fail".

So, is he right — is it time to rethink and try a different approach? Or is this just political posturing from a former prime minister who's still clinging to his last shreds of power and relevance?

Of course, Labour's opponents and net zero sceptics were quick to seize on his comments, claiming that it signals a shift in political and public attitude towards the green agenda. And it will no doubt also come as a blow to Ed 'The Muppet' Miliband, the UK's very own answer to Captain Planet.

The timing is curious as Two Tier Keir recently doubled down on the Labour government's commitment to net zero, stating that the clean energy mission was "in the DNA of my government". And perhaps it's just coincidence that Blair's 'intervention' came only days before a local election.

What's even more curious is that Blair has historically been a champion of the great green transition and has masterminded, or at least been heavily involved in, many of the policies that he's now criticising. So, why the sudden change of heart?

Has he finally 'come to his senses' by challenging a questionable policy that has defined Britain's somewhat haphazard approach to climate change since it was quietly signed into law by Theresa May's government in 2019, as some claim? Or have his links to fossil fuel nations in the Middle East and past work with petrostates polluted his thinking?

The Tony Blair Institute for Global Change, a "not-for-

profit” (something that I absolutely positively believe!!) organisation, signed a multimillion pound deal to advise the Saudi government in 2017. Last year, the institute also advised Azerbaijan, the oil-rich state which hosted the COP29 climate conference (which as we all know does absolutely fantastic work and is not in any way a pointless waste of time!!).

And reports suggest that Tony Blair’s consultancy has expanded its lucrative work with the oil-rich Saudi Arabia in recent months, while new staff have been hired by the TBI for its new subsidiary company in the Gulf kingdom. Is the timing once again just another coincidence?

Blair’s motives for speaking out are still up for debate, and given his rather dubious track record, I think people are right to be sceptical. But you don’t have to be supporter of Blair (I know I’m certainly not!) to wonder whether, regardless of his motives, he might actually have a point?

We were promised that the transition to net zero would reduce energy bills, create jobs and boost the economy. Yet, every single promise that was made to the British public has so far been broken. And with Blair now claiming that our country’s efforts aren’t making the slightest bit of difference in helping to reduce global carbon emissions, the Labour government are left in a precarious position.

Despite the fact that he hasn’t been Prime Minister for 18 years, Sir Tony Blair still has more political influence in the UK than our country’s democratic processes should reasonably allow. And with a growing sense of net zero scepticism and green fatigue from politicians and the public alike, his intervention comes at a politically sensitive time, which might just force the government’s hand.

Perhaps it’s time to do what should have happened in the first place and have a public discourse? For the UK’s net zero strategy to be successful, people need to feel like their efforts are worthwhile. And the public is far more likely to support legislation that they were actually given the chance to have input into. Maybe I’m missing something, but isn’t that the whole point of living in a democracy?



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£20 BILLION TO NORWAY - SERIOUSLY??BEFORE MAKING IT A LAW?

June 18, 2025

If you think energy prices in this country are already too high, then buckle up. Because Ed Miliband, in his infinite wisdom, recently committed to spending £20bn on imported gas from Norway.

We can only assume that Norwegian gas is somehow greener and better for the planet than the stuff we produce in the UK. Or does this prove that Britain’s net zero ‘strategy’ isn’t reducing fossil fuel use in the way we were promised?

It’s worth noting that Norway has pledged to reduce its carbon emissions, but unlike Britain, has made no legal commitment to reach net zero. Yet Norway is leading Europe in adopting electric cars, and two-thirds of households have a heat pump installed, which is more than anywhere else in the world. In fact, the country is one of the very few where carbon reduction targets and environmental policies very nearly align.

In short, the country is making genuine progress (the kind Miliband could only dream of), without sacrificing energy security and economic growth.

Because unlike the UK government, Norway recognises that the transition to greener energy is a long and costly process, and cutting all domestic carbon emissions simply isn’t yet conceivable, especially if you have to bankrupt the country in order to achieve it.

And let’s just ignore the fact that by importing gas from countries like Norway, we’re essentially outsourcing our emissions by shifting the UK’s carbon cost onto another country’s balance sheet. So, although it might appear like we’re making great progress towards fulfilling our pledge to meet net zero by 2050, the reality is that global emissions are actually rising.

Instead of having domestic supplies, we now import it, so it has to be transported on massive diesel-powered ships from countries like Norway, USA and Qatar. And diesel-powered ships, as we all know, don’t produce any CO2 emissions at all!

Miliband's logic is that clean energy is cheaper than fossil fuels, because 'dictators' can't control it (apparently he sees no irony in importing gas from Qatar of all places!). And yet America, who have pushed forward in their drive for self-sufficiency in gas and oil, have seen a reduction in energy prices. China continues to open coal plants all across the country and yet they are world leaders in renewable energy and green technology, making up more than half of all global production.

The reality is that we might be producing less oil and gas, but we aren't using less. So, while Miliband is waging some kind of ideological war on fossil fuels, claiming he wants to end our "dependence on fossil fuel markets controlled by dictators", he is in fact doing the opposite. By shutting down domestic production of gas and oil, we are now more reliant on these "fossil fuel dictators" than ever before.

And who benefits? Because it certainly isn't the British people who, despite being promised lower energy bills, are now facing higher energy costs than any other country in Europe. And importing our gas and oil supplies from other countries clearly isn't doing much to lower emissions either.

Clean renewable energy is undoubtedly the future, but we are still stuck firmly in the present. We simply don't yet have the technology to abandon fossil fuels altogether. And shutting down domestic gas and oil production doesn't reduce our country's need for it. We still need gas and oil to heat our homes and power the UK's manufacturing industries.

Clean energy will take investment and innovation, both of which requires a strong thriving economy. And does the latter seem likely if Miliband continues with his radical de-industrialisation of the UK?

"Our drive for clean power is about giving our country control over our energy destiny again — and in doing so unleashing the huge jobs and wealth benefits that these new industries create."

We'll believe that when we see it, Muppet-band!



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MORE NET ZERO LUNACY!

July 24, 2025

If you thought a £20billion gas bill was bad, then you might want to sit down. Because recent projections by the OBR (The Office for Budget Responsibility) suggest it's going to cost a whopping £803billion for the UK to transition to net zero by 2050.

In other words, the lights are flashing red on Britain's economy.

The argument is that climate inaction will cost the country a lot more in the long run, with Ed Miliband going so far as to claim, in typical alarmist fashion, that it will "threaten the British way of life".

But this still doesn't answer a pretty crucial question that no-one in the Labour government, not even Miliband/Captain Planet himself, seems to have an even halfway convincing answer for. Just where is all this money supposed to come from?

And what exactly will happen to the 'British way of life' if our current net zero 'strategy' drives the country into bankruptcy, as a growing number of MPs and economists are claiming?

The trouble is, ever since Theresa May's government quietly passed these insane net zero targets into law in 2019, with sense and affordability apparently a mere afterthought, each successive government has become obsessed with essentially trying to achieve the impossible.

So, the best part of the last decade has been spent de-industrialising Britain, and subsequently increasing our dependence on energy imports and low density weather-dependent technologies in some deluded attempt to appease the self-appointed climate gods. We've basically dismantled our old energy system in order to replace it with a new system that's far less reliable and cannot support the weight of the country's increasingly fragile economy.

The 'logic' was that it was all going to turn out just fine and dandy because as long as we were hitting those net zero targets, or at least making it appear like we were, everything else would just sort of work itself out in the long run. The problem is that it didn't just 'work itself out', because complex

problems rarely do. And now we're facing the fiscal consequences and expecting the public to pay for it.

Our over-zealous attempt to position ourselves as a global leader in the transition to a cleaner, greener future has worked all too effectively, because we've now become a shining example to the rest of the world of what not to do.

The UK's unique net zero 'strategy' has led to a mass exodus of investors and skilled workers alike. Power plants are shutting down and manufacturing industries are struggling to stay afloat due to rising energy costs and punitive carbon taxes. Instead of the thriving green utopia we were promised, we are faced with a sluggish economy and insurmountable debt, which compromises the UK's ability to act as a competitive force on the global political stage. And I don't just mean in economical terms.

Because in reality, is any of what we're doing actually contributing to protecting the planet? Is destroying what's left of the UK's fiscal infrastructure really in the interest of the environment? Or, by sticking to this delusional net zero strategy, are we in fact sabotaging any genuine progress we might hope to make towards creating an environmentally sustainable future?



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DRILL BABY DRILL!!!!

August 12, 2025

ABritain loves a bit of self-inflicted pain. We've got a government determined to make ordinary people suffer — all so they can strut around the world pretending to be climate saints. The problem? The rest of the world isn't playing along.

Last week, BP announced it had hit its biggest oil and gas find in 25 years — off the coast of Brazil, not Britain. This wasn't some small win. It's massive. The sort of discovery that keeps pension funds healthy, industries alive, and tax revenues pouring in. But here? We're not even allowed to look for the stuff anymore.

Why? Because Ed Miliband, our very own Muppet of State who is a ZERO, has banned new oil and gas

exploration. Something no other producing country is dumb enough to do. Norway's still drilling. Brazil's still drilling. Hell, even Brazil's socialist president Lula — who'll host the next big climate summit — is openly saying he wants to become the fourth largest oil producer in the world. His logic? "We can't have knowledge of this wealth underneath and not exploit it." He gets it. Our lot don't.

And here's the kicker: the same British government that's killing off the North Sea oil industry will still import oil and gas when we run short. That's right — we'll ship it halfway around the world, burn more carbon in the process, and then pat ourselves on the back for "cutting domestic production." It's complete BS carbon accounting — fake numbers to make fake virtue signalling look real.

Trade unions — who actually represent the people whose livelihoods are on the line — are furious. Unite calls the government's policy putting the industry "on a cliff edge." The GMB warns that tens of thousands of well-paid Scottish jobs are about to vanish. But Miliband's not listening. He's too busy polishing his climate halo.

The truth is simple: drilling here protects our jobs, our tax base, and our energy security. Stopping drilling just makes us dependent on foreign producers who laugh at our eco-purity while cashing in.

And what's all this pain achieving? Absolutely nothing. China's building more coal plants. India's burning more coal. Global oil demand hit a record in 2024. The idea that they'll suddenly change course because Britain nobly commits economic suicide? Pure fantasy.

Meanwhile, your bills aren't going down. Offshore wind's now costing £113/MWh compared to £72 for regular electricity. That promised £300-a-year saving Miliband used to talk about? Gone. Poof. Quietly dropped because it was never going to happen. We're not saving the planet. We're just kneecapping ourselves so a few politicians can preen on the world stage. It's economic masochism dressed up as morality.

You want to be sustainable?? Then Stop the fake virtue signalling. Stop the carbon accounting games. Protect our industries, our jobs, and our future so that we can sustain our selves!







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BRITAIN - WANT TO BE SUSTAINABLE? THEN STOP BEING A WHINY TEENAGER!

September 17, 2025

Britain has all the brains, talent, and creativity in the world — yet we act like a moody teenager who refuses to get out of bed. Instead of building, we sulk. Instead of celebrating success, we tear it down. Meanwhile, the Americans are busy actually doing things.

Take Larry Ellison and Stephen Schwarzman. Two billionaires who looked at Oxford, saw greatness, and decided to supercharge it. Ellison put in £200 million to create a science institute tackling climate change and food security. Schwarzman dropped £185 million to build a humanities centre including an ethics-in-AI powerhouse. Did they do it out of pure selflessness? Of course not. They want legacy, influence, and maybe a return. But so what? Britain gets world-class institutions, new jobs, global recognition. That's called winning.

Here's the problem — we treat success like a scandal. Instead of asking, "How do we build on this?" we mutter, "Oh, but he's difficult to work with," or "He supported Trump." Honestly, who cares? These men are doing something. We're still arguing about bats and paperwork.

So let's stop moaning and start fixing. Here's how Britain grows up:

1. Celebrate success, don't crucify it.

We need a culture shift. When someone builds something, don't sneer — clap. Don't drag them down — ask how to make it bigger, cleaner, smarter. Success should be contagious, not suspicious

2. Build first, perfect later.

This obsession with doing everything flawlessly before we even start is killing progress. America didn't build Silicon Valley by waiting for unanimous local council approval. Sometimes you need to move

fast, test, fail, and fix along the way. Sustainability isn't about stopping projects — it's about doing them better once they exist.

3. Unlock our universities.

Oxford, Cambridge, Imperial — they're gold mines of talent. We should be throwing investment at them, linking them with housing, transport, and business hubs. Instead, we cancel projects like the Oxford-Cambridge arc because a few people don't like new roads or worry about a few bats. That's madness. If we want growth, we need to connect brains with infrastructure and industry.

4. Stop confusing fairness with mediocrity.

Fairness doesn't mean dragging everyone down to the lowest common denominator. It means lifting more people up. Build the road, build the lab, build the housing. More jobs, more research, more opportunities — that's fairness.

5. Make sustainability about ambition.

We talk about sustainability like it's about saying "no." No cars, no planes, no building. Wrong. Real sustainability is about saying yes to greener tech, smarter housing, renewable energy, and cleaner transport. You don't get there by sulking in your bedroom — you get there by building.

6. Think legacy, not headlines.

Ellison and Schwarzman aren't perfect, but at least they're thinking big and long-term. That's the mindset Britain needs. Less firefighting. More building for the next fifty years.

Britain's biggest resource isn't land or money — it's attitude. If we can shift from "what could go wrong" to "what could we achieve", everything changes. We already have the universities, the scientists, the entrepreneurs, and the creative industries. What we need is the guts to let them run.

So here's the message: grow up, Britain. Stop sulking about the bats. Stop whining about billionaires throwing money at us. Start celebrating, start building, and start thinking big.

Because the truth is simple: success isn't the enemy of sustainability. Success is the engine that makes it possible. And if we don't get serious about it, the rest of the world won't wait for us.



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WANT TO BE MORE SUSTAINABLE, BRITAIN? THEN BURN THE OBR!

October 17, 2025

Picture this: you're driving through thick fog, headlights blazing, following an old map that no longer matches the road. Every turn is wrong, but by law, you have to stick to it — even if it leads off a cliff. That's Britain's economy under the Office for Budget Responsibility (OBR).

Born from good intentions to keep politicians honest, the OBR has become less a compass and more a cage. Its forecasts are routinely wrong, yet they still dictate nearly every tax and spending decision in the country.

Let's be honest: no one can accurately predict the economy five years ahead. Not in a world where wars, tech shifts, and pandemics rewrite the rules overnight. Yet every six months, the OBR is forced to guess what Britain will look like half a decade from now — growth, wages, borrowing, productivity — and the government dutifully builds national policy around those guesses.

And here's where the critics have a real point: the whole system of economic forecasting is absurd. Take one example — at a recent budget, Westminster spent weeks arguing over £14 billion worth of tax tweaks projected five years out on a £1.5 trillion economy. It's make-believe accounting. The OBR's five-year forecasts for income tax alone have never been within £10 billion of reality. Some years they're £40 billion too high; other years, £40 billion too low. These aren't small errors — they're gaping holes. Yet we continue to pretend they're solid ground.

To make matters worse, the OBR is shackled to data from the Office for National Statistics (ONS) — an organisation that's been struggling ever since the pandemic. During Covid, people simply stopped picking up the phone for surveys, and the data never really recovered. The result? Whole chunks of what we "know" about jobs, wages, and productivity are built on guesswork. Revisions are constant, reliability is shot, and even basic figures swing from one

extreme to another. Just recently, the ONS "found" an extra £2 billion in VAT receipts — as if someone discovered loose change behind the Treasury sofa.

Still, chancellors cling to these spreadsheets like a lifebuoy. Their entire credibility depends on "headroom" — the thin margin left between their spending plans and the OBR's projections. But when those forecasts shift, that headroom vanishes. What's left is policy driven not by strategy, but by spreadsheet panic.

And there's a deeper structural flaw that no one wants to talk about. Everything the Treasury does is based on a five-year scorecard. That forces governments to chase short-term wins instead of long-term value. Building a new transport network or investing in clean energy doesn't "fit" neatly into that window, so it's pushed aside. Instead, chancellors fiddle with numbers to make year five look neat — which, by the next budget, becomes year six, and then year seven. It's fiscal Groundhog Day: always heading towards balance, never quite arriving. Each new rule promises to fix it, yet every plan still pairs short-term spending splurges with theoretical austerity years down the line that never materialise.

So what's the alternative? Start by scrapping the fixed five-year forecasting rule. Replace it with a rolling three-year outlook that adapts in real time to shocks and market changes. Second, build flexibility into fiscal rules — allow investment in critical infrastructure, energy, and skills to sit outside short-term caps. Third, replace arbitrary deficit targets with a clear, long-term principle: debt should fall over the economic cycle, not to please a model.

In short, stop treating the OBR's projections as holy scripture. Use them as one tool, not the rulebook.

If Britain truly wants to be sustainable — economically, environmentally, and politically — it needs a fiscal system built for resilience, not ritual.

So yes — burn the OBR. Not to kill accountability, but to rebuild credibility. Because sustainability begins with honesty — not imaginary numbers.







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APPENDIX 6

The Retreadcast interview with Vaculug Chairman Haarjeev Kandhari, February 20, 2024



Source: <https://www.youtube.com/watch?v=V71LqE5tuNA>







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APPENDIX 7

Article featuring Vaculug's Managing Director Jorge Crespo with the Transportation & Logistics International, How Vaculug has been offering sustainable tire solutions since 1950, published in November 2023.



HOW VACULUG HAS BEEN OFFERING SUSTAINABLE TIRE SOLUTIONS SINCE 1950

Vaculug is a commercial tire retreading specialist based on a 12-acre site in Grantham, Lincolnshire. The company produces quality retread tires for fleets across the United Kingdom, while also offering effective and practical fleet management solutions. Jorge Crespo, Managing Director, shares the organization's commitment to people and the planet.

"The last 12 months have been about consolidating the work we've been doing over the last three years," he begins. "Following its change of ownership, the company has experienced a turnaround. While Vaculug is a well-established company with a rich history and all the benefits that brings, we were in a position where we needed to bring about cultural change.

"The business was not particularly dynamic, so we've been doing a lot of work to transform the culture and recruit talented, lateral thinkers from both within and outside the industry. The three biggest elements we focused on were people, systems, and investment. Several employees retired from the business at the same time, so rather than laying people off during the pandemic, we went the other way and started recruiting heavily. We are embarking on a journey to

attract and recruit talent to help shape the company and generate this cultural change.

"We have also invested heavily in more modern technologies, equipment, and tooling to drive process efficiency. Additionally, we decided it was important to be more forward thinking, in terms of being less reliant on human input and more focused on automating systems and processes. From the pandemic to inflation, the last three years have been very volatile, and we've faced different challenges, but it's been about navigating and weathering the storm, while implementing our long-term vision. It has worked out well. We are going to have a very good year this year, both financially and in terms of growth in products and services," Jorge enthuses.

"Previously, approximately 70 percent of turnover was product-based. Whereas today, it's more of an equal balance between product and fleet management services. We provide services to a range of clients operating in different sectors, such as supermarkets, recycling, waste management, councils, and logistics. In 2020, we handled about 50,000 vehicles. By the end of 2024, that number will have doubled," he continues.

People and planet

Vaculug doesn't just retread tires; it strives to reshape the future of the planet through unwavering commitment to sustainable environmental practices.

The business has embarked on a journey towards a greener world, guided by the steadfast belief that every action taken today paves the way for a more sustainable tomorrow.



“We are in the recycling business,” Jorge explains. “So, we are effectively part of the circular economy. Our retreading processes extend the life of tires, reducing the need for new raw materials and minimizing waste. Vaculug is dedicated to reducing waste, reusing materials, and recycling resources whenever possible. Our commitment to the environment extends to energy conservation. Our facilities are designed with energy efficiency in mind, incorporating technologies that minimize energy consumption. By embracing renewable energy sources and implementing smart energy management systems, we’re reducing our carbon footprint and leading by example. Equally, our vehicles are all either hybrid or fully electric.”

Vaculug’s approach to sustainability extends beyond the boardroom to encompass responsible corporate governance. “We are working on several social responsibility initiatives. We actively engage with communities, rolling up our sleeves and getting involved in projects that bring about positive transformation. It’s not just about giving; it’s about being present, being part of the community, and making a direct impact. We collaborate with local institutions and charities. From education to environmental conservation, healthcare to community development, our charitable initiatives span a spectrum of causes. Through scholarships, mentorship programs, and educational support, people can come and learn about different aspects of the company. In this way, we’re helping to pave the way for future leaders,” Jorge shares.

Empowering the workforce

“Vaculug is about being a team. We aim to attract talented people to join us and then enable them to

grow within the team and alongside the company as it steers in a new direction. I am a true believer in forward thinking. It’s important to do things differently to how they’ve always been done, to acknowledge mistakes, learn from them, think outside the box, and improve on what’s been done before.

“We allow people to be creative. In terms of innovation, we aim to anticipate the future needs of our consumers, as well as take the developments in vehicle manufacturing into account. We also developed a sustainability forum this year, where we can brainstorm the next big thing alongside service providers and fleet managers. This gives us the opportunity to assess market needs. We held our first forum in April, had our second in October, and the next is scheduled for April 2024. It’s surprising how beneficial these types of initiatives can be.

“As an organization, we obviously need to make money to survive, but first and foremost, our business is about our people, and we want to make sure that we’re looking after them. We hold annual family events at a nearby activity center, where everyone gets together. These are great, successful events that help to nurture our family culture.”

Overcoming challenges

Looking to the future, Jorge would like to see the business in a very different space to where it is today. “The company is certainly going in the right direction. I’m a firm believer, however, that you can’t control the future. The past few years have been testament to that. The only thing you can control is your attitude, and how you respond to the events that are coming your way. I’m not talking about being reactive, but rather being responsive, so that you are capable of navigating whatever challenges come your way.

“Manufacturing in the UK is very expensive, when compared to other parts of the world, and the competitive, cost-effective products coming from Asia are a challenge for us. So, we need to do things differently to remain competitive. From inflation to raw materials and labor shortages, there will always be challenges, but that doesn’t mean they’re insurmountable. I see opportunities as well. We are in a market that is very dynamic. The UK market is at the forefront of Europe. You have to be very competitive, which means you have to be very resourceful as well. So, there is massive opportunity for us,” he concludes.

Source: <https://tlimagazine.com/news/how-vaculug-has-been-offering-sustainable-tire-solutions-since-1950/>







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Sustainability in motion

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