2025 Sustainability Report

TRENCH | Group

About This Report

Purpose and Scope

This Sustainability Report presents Trench Group's sustainability-related policies, actions, and performance for the stated reporting period. It is prepared in alignment with the Voluntary SME (VSME) Standard and reflects our current understanding of our sustainability-related impacts, risks, and opportunities.

Reporting Boundary

Unless otherwise noted, the information covers all global operations of Trench Group, including the Trench and HSP brands and all consolidated manufacturing sites and offices.

Reporting Period

The reporting period corresponds to Financial Year 2025 covering the period from 1 October 2024 to 30 September 2025. Historical information is included where relevant for context or trend analysis.

Forward-Looking Statements

This Report contains forward-looking statements that involve risks and uncertainties. Actual outcomes may differ due to changes in market conditions, regulatory environments, technological developments, and other factors. Readers should not place undue reliance on these statements.

Data Quality and Methodology

Trench Group strives for accuracy and completeness, but some data and methodologies will continue to evolve as sustainability governance, systems, and processes develop. Certain figures rely on estimates, proxy data, or industry-standard emission factors.

Message from our President & CEO

Dear Stakeholders,

Nearly two years after carve-out, Trench Group is stronger, faster, and more focused than ever. Independence has given us the freedom to shape our own path, and we have chosen a bold one: putting sustainability and innovation at the center of our strategy.

The world of energy grids is undergoing a fundamental shift. Our customers face the dual challenge of growing demand and the urgent need to decarbonize. This requires not just reliable products, but smarter, cleaner, and more forward-looking solutions. At Trench Group, we are determined not only to keep pace with this transformation but to help shape it.

Sustainability is the driving force behind how we innovate and grow. It defines our responsibility to deliver performance with purpose. Our REGENERA® offering proves that sustainable products and services can accelerate business performance by combining efficiency, reliability, and reduced environmental impact. This is how we shape the future of energy grids and create value that endures for customers, for society, and for the planet we all share.

But the most critical resource we have is not capital or factories, it is people. Modern infrastructure demands more than money. It requires talent, creativity, and purpose. That is why we are building a culture where responsibility and innovation go hand in hand, and where our people can see the real impact of their work. Attracting, retaining and developing this talent will be as decisive for our success as any investment in technology.

Looking ahead, our ambition is clear: maintaining technology leadership in sustainable energy transmission. We will continue to innovate for customers, strengthen our partnerships, and invest in the people and ideas that shape the future. The challenges of the energy transition are immense, but we see them as opportunities to build smarter, cleaner, and more resilient grids for the world.

To our customers, employees, and partners: thank you for your trust and commitment. Together, we will shape the future of energy transmission, bold, sustainable, and transformative.

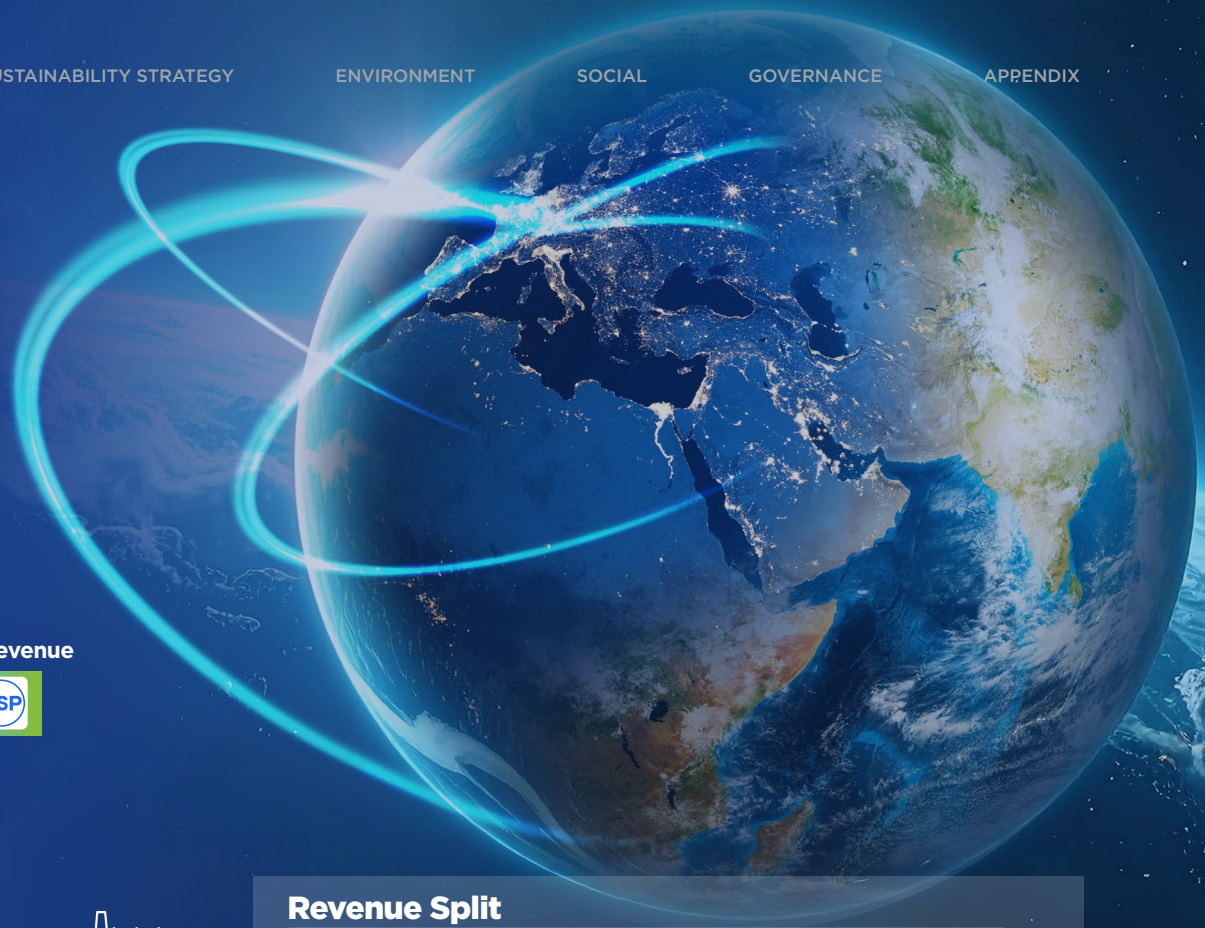
Sincerely,

Bahadir Basdere

Dr. Bahadir Basdere
President & Chief Executive Officer,
Trench Group

Trench Group at a Glance

Trench Group is a global leader in high-voltage components, supplying mission-critical technologies that support stable and reliable operation of power grids worldwide.



2 Strong Brands

Bushings, Instrument Transformers and Coils Revenue

80% TRENCH

Bushings Revenue

20% HSP

>100
Years of experience

906 M€
Revenue in FY 2025

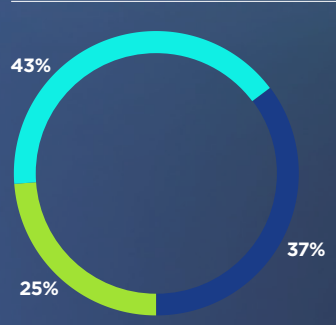
9
Factories

~2800
People working around the globe

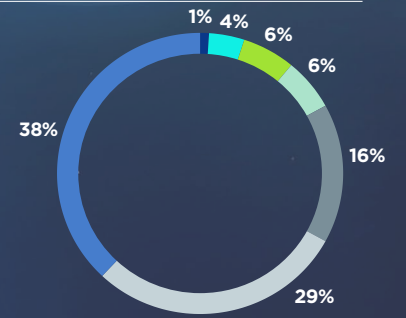
>1.2 M
Products delivered

>50%
REGENERA® products order intake in FY 2025

Revenue Split



- Bushings
- Instrument Transformers
- Coils



- Africa
- Latin America
- Middle East
- Asia Pacific
- China
- North America
- Europe

Delivering Commercial and Financial Performance

Strong, long-term customer partnerships are at the heart of Trench Group's success. As energy systems grow more complex, we go beyond high-voltage components and support our customers in planning and operating resilient grids.

We combine proven reliability with global engineering expertise and our forward-looking REGENERA® offering to help customers strengthen their infrastructure and navigate a transforming energy landscape with confidence.

Klaus Merklein
Chief Sales Officer,
Trench Group

Brigitte Kurz
Chief Financial Officer,
Trench Group

Trench Group delivered a consistently strong financial performance over the past year, supported by robust market demand, disciplined execution, and a resilient global operating model.

The Group's solid profitability, strengthened order position, and sustained growth across key segments provide a stable foundation for continued strategic investment and long-term value creation.

Key ESG Achievements

PROGRAM

- Defined and launched the Trench Group Sustainability Strategy
- Completed our first Double Materiality Assessment (DMA)

ENVIRONMENT

- Completed full Scope 1, Scope 2, and Scope 3 GHG inventory
- Performed Climate Risk Assessment across all manufacturing sites
- **100%** Sites certified to ISO 14001

SOCIAL

- Launched the Groupwide “Sense the Power of SHE” safety program
- Launch of Cornerstone global LMS
- **33** Employee Net Promoter Score (eNPS)

GOVERNANCE

- Established a dedicated Compliance function post-carve-out
- Cybersecurity framework aligned with ISO 27001

AWARDS

- Triton Lighthouse Award (Environment)

STRATEGIC KPIs

- **62%** Trench Group portfolio covered by LCA
  Target 100% by 2030
- **82%** Share of renewable electricity
  Target 100% by 2030
- **19%** Women in leadership positions
  Target 30% by 2030
- **2.49** Total recordable Incident Rate
- **100%** Agents and distributors screened for ethics-related risks
  Target 100%
- **91%** Relevant employees completed ethics training
  Target 100%

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1. About Trench Group

1.1 Who We Are

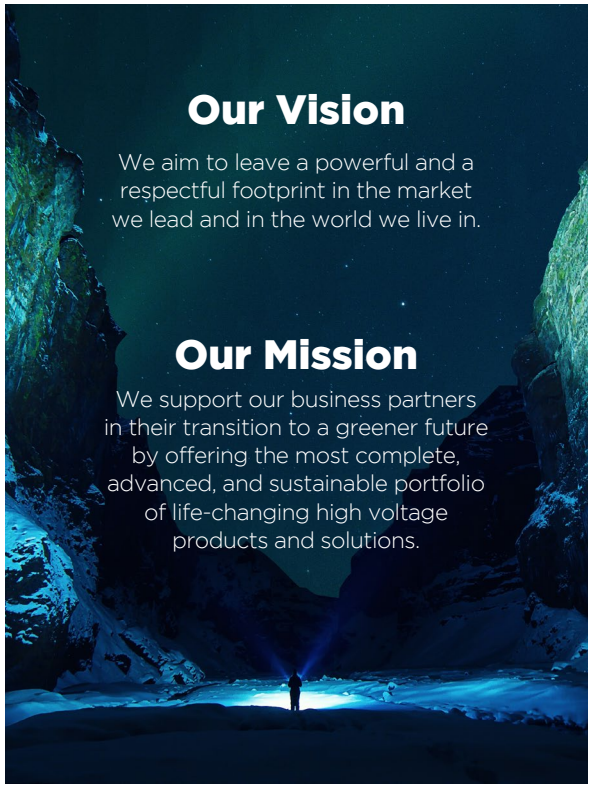
Trench Group is a global leader in high-voltage electrical solutions, known for engineering innovation, technical excellence, and long-lived product performance.

Through our two brands – Trench and HSP – we deliver critical components that enable the safe, reliable, and efficient transmission of electricity across modern power networks.

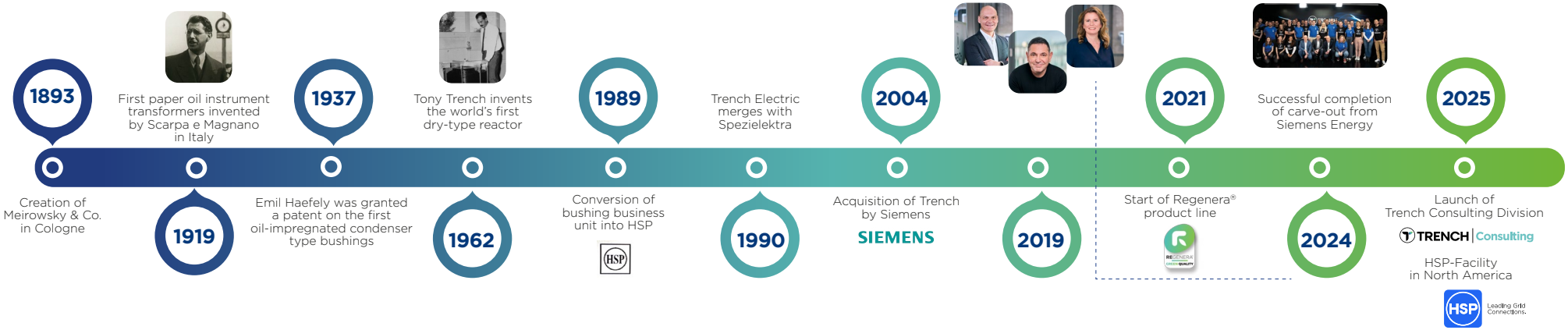
Our product portfolio includes Bushings, Instrument Transformers, and Coils. These technologies strengthen grid resilience, support stable power flow, and enable the reliable integration of renewable energy. With approximately 2,800 employees across nine factories, we serve utilities, grid operators, equipment manufacturers, industrial customers and emerging applications such as data centers worldwide.

Our commitment to quality and system reliability is reflected in the more than one million products delivered to date.

In Financial Year 2025, more than 50% of the order intake came from our REGENERA® offering, underscoring our focus on responsible design, sustainable materials, and improved environmental performance.



Trench Group's History at a Glance



Trench Group's heritage spans more than a century and is rooted in pioneering companies that shaped the evolution of high-voltage technology. Key milestones include early condenser bushing developments in Cologne (1893), the world's first paper-oil Instrument Transformer in Italy (1919), and the first dry-type air-core reactor developed in Canada (1962).

These innovations laid the foundation for today's global Trench Group. A major transformation began in 2024 when we separated from Siemens Energy and joined Triton, becoming a more focused, agile, and innovation-driven company.

The carve-out strengthened performance, deepened Customer partnerships, and accelerated progress on sustainability and digitalization. Our leadership team – CEO & President Dr. Bahadir Basdere, CSO Klaus Merklein, and CFO Brigitte Kurz – continues to guide this new chapter.

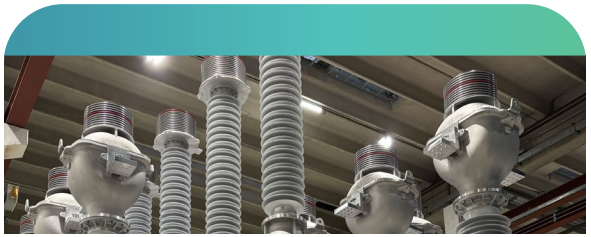
1.2 Our Portfolio of Products and Services

Bushings

Trench and HSP Bushings ensure safe, reliable high-voltage connections across transformers and electrical equipment. By combining dry-type and eco-fluid insulation technologies, our Bushings deliver dependable performance under demanding operating conditions and help maintain grid stability.

REGENERA® - Our Sustainable Offering

REGENERA® represents our most advanced portfolio of sustainable products and services. These solutions reduce environmental impact by eliminating SF_6 and mineral oil where possible, while advancing technical performance, improving circularity, and enhancing energy efficiency. For more information, see **Sustainable Innovation** in the chapter Environment.



Instrument Transformers

Our Instrument Transformers provide precise current and voltage measurements essential for metering, system protection, and advanced monitoring. Their accuracy supports renewable integration, enhances operational visibility, and contributes to the stability of modern power networks.

Coils

Our Coils enhance system safety and efficiency by managing power flow, limiting fault currents, and supporting voltage stability. Custom-engineered designs deliver reliable performance across utility and industrial applications.

Customer Care, Lifecycle Services, and Consulting

We support customers throughout the full lifecycle of their equipment through commissioning, maintenance, refurbishment, and end-of-life solutions.
Trench Consulting provides engineering and advisory support that helps utilities and grid operators make reliable, future-ready decisions.

1.3 Our Global Network

Our global manufacturing and engineering network enables regional presence, specialized expertise, and consistent quality across key high-voltage technologies.

Manufacturing and regional network

Trench Austria

A global leader in air-core Coil technology, recognized for resin impregnation innovations with applications in high- and extra-high-voltage systems up to 765kV.

HSP Germany

A specialist in high-voltage Bushings, with pioneering developments including HVDC Bushings and the world's first 1,200 kV RIP DC Transformer Bushing.

HSP US

A new advanced manufacturing facility in Charlotte, North Carolina, producing dry-type Bushings (RIS/RIP) up to 800 kV starting in 2026.

Trench Bulgaria

A precision manufacturing hub supplying components such as active parts, voltage transformer elements, and Bushing assemblies with advanced automation.

Trench Canada

Two specialized facilities (TCI and TCC) produce high-voltage Instrument Transformers and Coils, with a history of industry firsts in HVDC reactor solutions.

Trench France

A century of expertise in Bushing technology, including the STARON® series, which set new performance standards for Condenser Bushings.

Trench Germany

A leading center for Instrument Transformers, known for gas-insulated innovations, explosion-proof designs, and SF_6-free Clean Air solutions.

Trench High Voltage Shenyang (THVS)

A key site for Bushings and Instrument Transformers, delivering AC and DC Bushing innovations for UHVDC applications.

Trench Italy

A long-standing competence center for Instrument Transformers and capacitive products, with strengths in oil-insulated and HVDC applications.

1.4 Our Value Chain

Trench Group's value chain spans responsible sourcing, engineering, manufacturing, testing and lifecycle services, ensuring our high-voltage components operate safely and reliably across the world. These activities support the transition to cleaner, more resilient, and more efficient grid infrastructure.

Upstream: Suppliers

We source specialized materials and components – metals, insulation materials, electronics – through qualified Suppliers supported by logistics partners. Responsible sourcing and rigorous quality assurance underpin this stage.

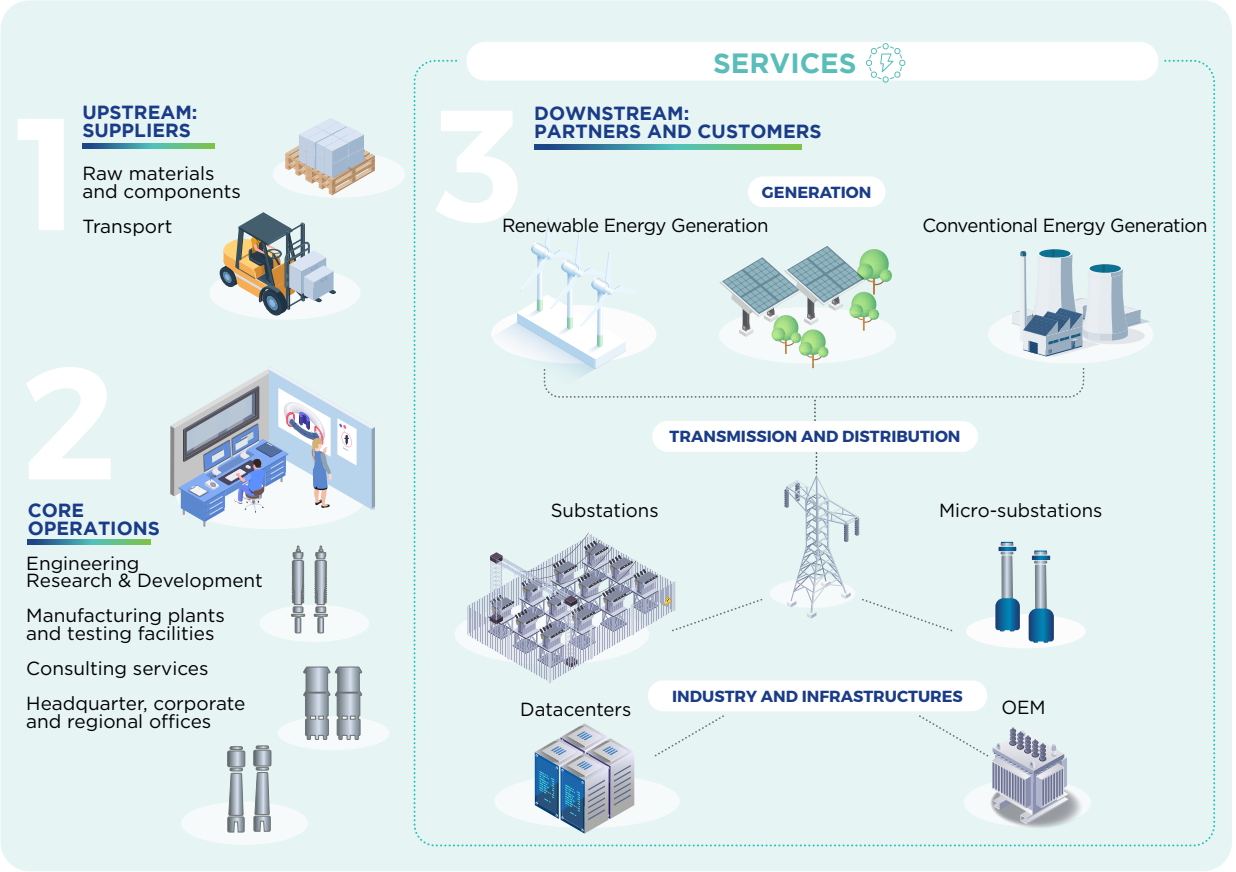
Core Operations

Our engineering, R&D, and manufacturing teams design, test, and produce high-voltage components that meet stringent global standards. Corporate and regional functions provide strategic direction and operational support, ensuring consistent quality and process excellence.

Downstream: Partners and Customers

We collaborate with OEMs, utilities, and system operators to integrate our technologies into renewable and conventional power generation, transmission and distribution networks, industrial facilities, and data centers.

Trench Group's value chain



Looking ahead

In the coming years, Trench Group will continue to strengthen its strategic positioning as demand for reliable, high-performance grid technologies increases.

Our focus will be on reinforcing our core portfolio while advancing innovation in dry-type, SF_6-free, and digitally enabled solutions to meet evolving grid requirements.

Our priorities include:

- Strengthening operational excellence across manufacturing and delivery.
- Deepening customer partnerships to support complex transmission projects.
- Expanding regional capacity, including a new bushing facility in North America.
- Pursuing disciplined growth across key markets.

As grid projects expand and modernization efforts accelerate, we remain committed to advancing safe, reliable, and sustainable grid infrastructure worldwide.

2. Sustainability Strategy

2.1 Sustainability Strategy

Since its foundation, Trench Group has built its reputation on reliability, quality, and responsible engineering. These values naturally align with sustainability. Our grid technologies strengthen safety and efficiency, and our teams have long focused on optimizing resources, improving workplace safety, and designing products that deliver long-term performance. Financial Year 2025 marked a turning point.

We moved from an inherent, value-driven approach to a structured, measurable sustainability strategy that embeds clear objectives and governance across the business. This shift reflects both our transformation as an independent company and the role we play in enabling a more resilient and sustainable energy system. Today, sustainability is a strategic pillar of growth and competitiveness. It informs how we innovate, how we operate, and how we create long-term value for customers, partners, employees, and society.

The past year marked a major step in shaping a unified sustainability strategy for Trench Group. We brought our long-standing commitments together under one framework that translates our purpose into clear priorities and measurable progress.

Our strategy is grounded in five elements that ensure relevance, credibility, and alignment with our business model:

- Double Materiality Assessment (DMA) identifies the topics that matter most from both impact and financial perspectives.
- Market and peer insights – clarify where Trench Group can lead and strengthen competitive positioning.
- Stakeholder expectations – reflect the needs of Customers, partners, employees, and senior leadership.
- Regulatory requirements – including CSRD and ESRS, guide transparency and ensure compliance readiness.
- Market and Customer trends – highlight the growing demand for sustainable and high-performance high-voltage solutions.

Together, these elements form a structured path for sustainability excellence and provide the foundation for measurable, long-term progress.

We also recognize the UN Sustainable Development Goals (SDGs) as a global reference framework. Our efforts contribute to SDGs related to responsible production, climate action, decent work, and strong institutions, supporting a more inclusive and resilient future.

Trench Group's Sustainability Strategy

				TARGETS
ENVIRONMENTAL	SUSTAINABLE INNOVATION	**We develop** next-generation offerings that elevate technical excellence and environmental responsibility.		**100%** of our Portfolio covered by LCAs by 2030[1]
	DECARBONIZATION	**We strengthen** climate responsibility across our operations and value chain through purposeful, forward-looking actions.		**100%** renewable electricity in operation by 2030
SOCIAL	PEOPLE EMPOWERMENT	**We create** a workplace where health, safety, diversity, and personal growth thrive across all our locations.		**0** occupational incidents **30%** female representation in leadership postions by 2030
	RESPONSIBLE SUPPLY CHAIN	**We ensure** ethical, transparent, and responsible sourcing through strong partnerships across our supply chain.		Launch supplier **ESG due diligence** program in 2026
GOVERNANCE	BUSINESS CONDUCT	**We uphold** the highest standards of integrity, governance, and accountability through transparent and responsible actions.		**100%** of relevant employees complete ethics training **100%** of agents and distributors screened for ethics risks

1. The ambition applies to LCA coverage per product type; voltage-level variations are not included.

2.2 Governance and Accountability

Trench Group's sustainability governance ensures clear oversight, accountability, and alignment with corporate strategy. The Board of Directors holds ultimate responsibility for approving the ESG strategy and monitoring progress against key objectives.

The General Counsel, who leads our Legal & Compliance function and reports directly to the President & CEO, oversees ESG across the company, and provides regular updates to both the Board and executive leadership.

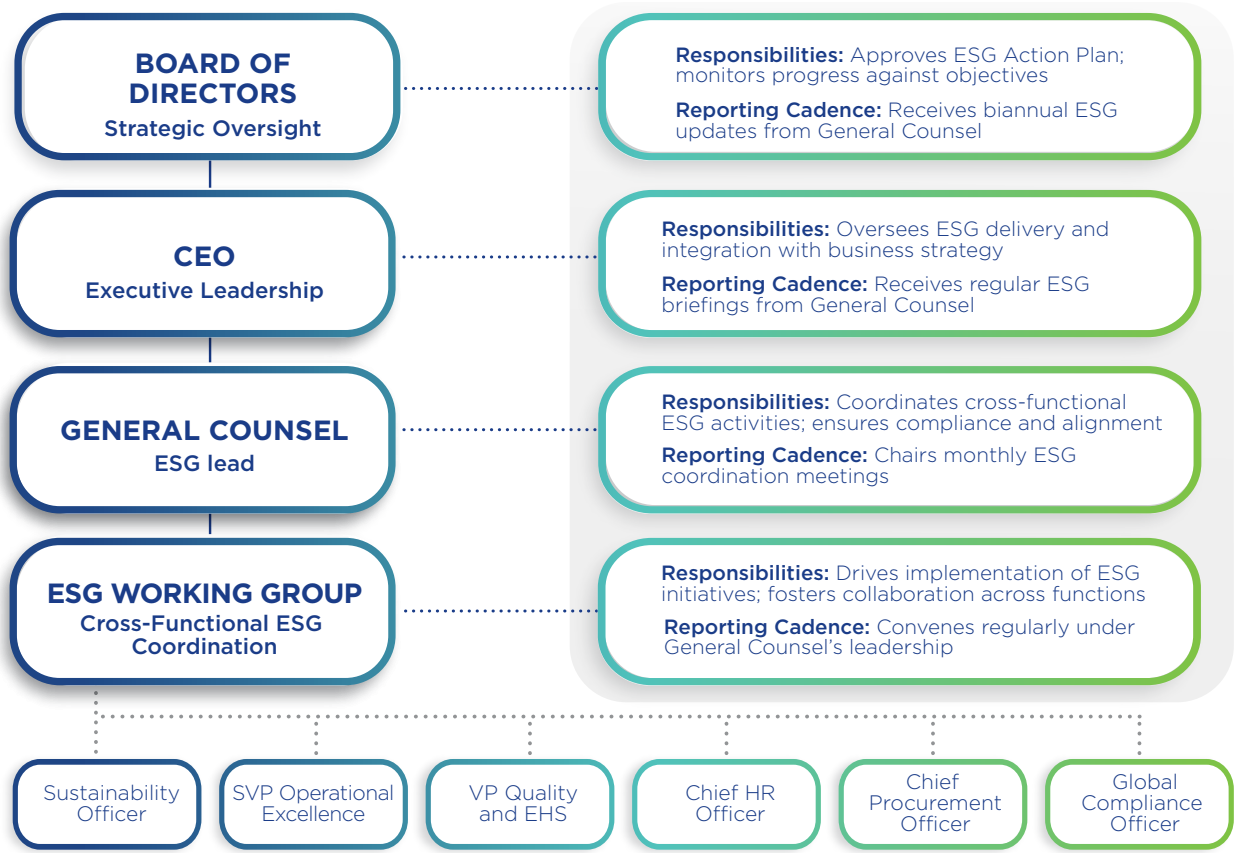
To support effective delivery, the General Counsel chairs a monthly ESG coordination meeting with leaders from key functions. Responsibilities are clearly assigned:

- The Sustainability Officer oversees Sustainability and leads day-to-day implementation, data management, and reporting.
- Environmental topics and health and safety are led by SVP Operational Functions and VP Quality & EHS.
- Employee-related topics are overseen by the Chief Human Resources Officer (CHRO).
- Supply chain topics are led by the Chief Procurement Officer (CPO).
- Compliance and governance are overseen by the Global Compliance Officer.

Our majority shareholder, Triton, manages a dedicated sustainability team that hosts an annual sustainability forum and monthly discussions with all portfolio companies. These engagements ensure alignment with owner expectations, support best-practice sharing, and strengthen awareness of regulatory developments.

As our governance continues to mature, we are enhancing processes, strengthening accountability, and improving data systems to further integrate ESG into decision-making across the organization.

Sustainability governance



2.3 Stakeholder Engagement

Effective and inclusive stakeholder engagement helps ensure that our sustainability strategy reflects both internal and external priorities. Throughout Financial Year 2025, we engaged stakeholders through meetings, workshops, feedback sessions, and employee surveys.

These insights shaped our Double Materiality Assessment and supported the prioritization of strategic sustainability topics.

Engagement also strengthened collaboration across functions and reinforced a shared sustainability vision. This engagement supports informed decision-making and helps ensure that our actions reflect broader expectations.

Stakeholder mapping and engagement

SHAREHOLDER

We engage our majority shareholder through transparent ESG reporting, regular updates, and strategic discussions that support oversight, alignment on priorities, and long-term value creation.

EMPLOYEES

Employees are engaged through ongoing communications, surveys, dialogue platforms, and learning initiatives. Their input supports continuous improvement and strengthens our sustainability culture.

CUSTOMERS

We maintain regular interaction with customers to understand their needs, address ESG expectations, and integrate feedback into product development and strategic decisions.

SUPPLIERS

We collaborate with suppliers through structured communication and information exchange to ensure responsible sourcing, transparency, and alignment with our sustainability standards.

POLICYMAKERS AND REGULATORS

Engagement focuses on compliance and emerging regulatory requirements to ensure our governance and disclosures meet applicable laws and standards.

BANKS AND FINANCIAL INSTITUTIONS

We engage financial partners through ESG-related reporting and dialogue to support sustainable financing and maintain strong institutional relationships.

MEDIA

Transparent communication through reports, announcements, and interviews helps build trust and strengthens our sustainability narrative.

COMMUNITIES

We work with local communities through partnerships, volunteering, and social initiatives that contribute to shared value and positive community impact.

2.4 Double Materiality Assessment

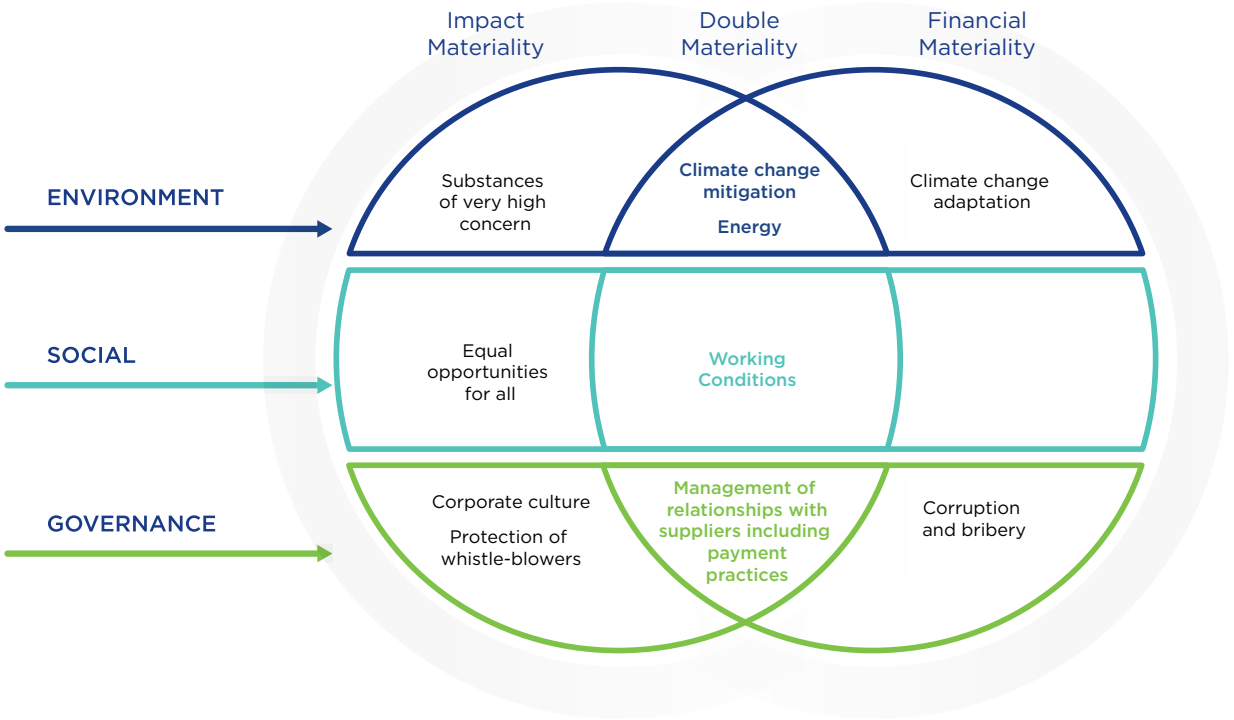
Trench Group completed its first Double Materiality Assessment (DMA) to prepare for future reporting under CSRD, in alignment with the ESRS requirements. The DMA identifies the sustainability topics most relevant to our business model and stakeholders and forms the basis of our ESG strategy and disclosures. We conducted the DMA using Datamaran's platform and followed the EFRAG-aligned Materiality Assessment Implementation Guidance.

The process evaluated each topic through two lenses:

- Impact materiality – how our activities affect people and the environment.
- Financial materiality – how sustainability topics may influence our business performance and resilience.

The DMA resulted in a focused list of material topics across environmental, social, and governance areas. These topics guide our strategic priorities and reporting. A Big4 audit firm reviewed our methodology, timeline, and outcomes and confirmed that our DMA is prepared for audit purposes. For a detailed overview of identified impacts risks and opportunities (IROs) please refer to the **Detailed DMA Results** in the Appendix. A summary of material topics is presented in the diagram.

Overview of material topics



2.5 Building ESG for the Future

Michael Hartleben
General Counsel and ESG Lead,
Trench Group

In this interview, Michael Hartleben, General Counsel and ESG Lead at Trench Group, shares how the company has built a purpose-driven ESG strategy following the carve-out - one that embeds sustainability, safety, and integrity into every aspect of the business. The conversation highlights how ESG is both a strategic enabler and a foundation for long-term value creation.

Q: What opportunities did the carve-out create for shaping Trench Group's ESG strategy?

When we became a standalone company, we inherited a strong ESG foundation from our former corporate owner. Many of our functions already had mature initiatives and deep expertise in areas such as health and safety, product innovation, and compliance. The carve-out gave us a unique moment to pause and ask ourselves: what does sustainability mean for us as an independent company? It was an opportunity to design an ESG strategy truly fit for purpose, one that captures the essence of who we are as a standalone business. We conducted a comprehensive Double Materiality Assessment and defined a forward-looking ESG strategy with clear short-, medium-, and long-term goals. The result is a focused, agile framework that builds on our strengths while positioning us for sustainable growth.

Q: How is ESG integrated into our business strategy today?

For us, ESG is not an add-on. It is part of how we run the business every day. As a global manufacturing company with around 2,800 employees producing highly technical products, our ESG priorities naturally reflect the realities of our operations. Keeping our people safe is and will always remain our number one priority. At the same time, we take pride in the fact that > 50% of our order intake in FY 2025 came from our sustainable offering REGENERA®, which directly contributes to a lower environmental footprint for our customers. And, of course, governance is our license to operate - integrity underpins everything we do. ESG is therefore fully embedded into our business strategy, supporting both performance and purpose.

Q: What are the main pillars of our ESG strategy going forward?

Our ESG framework is built around five strategic priorities that align closely with our business objectives and stakeholder expectations. We are strengthening and expanding our sustainable offering, ensuring 100% of that portfolio is covered by independently verified Life Cycle Assessments by 2030. Equally important is empowering our people, with a clear goal of 30% female representation in leadership roles by 2030, and a strong culture of safety and inclusion across all sites. We are also working to build a more responsible value chain, act decisively on climate change - including a commitment to operate on 100% renewable electricity by 2030 - and uphold the highest standards of business integrity. Together, these priorities express how we empower the future of energy grids through sustainable innovation - driven by integrity and a commitment to creating real impact for our customers, people, partners, and the planet.

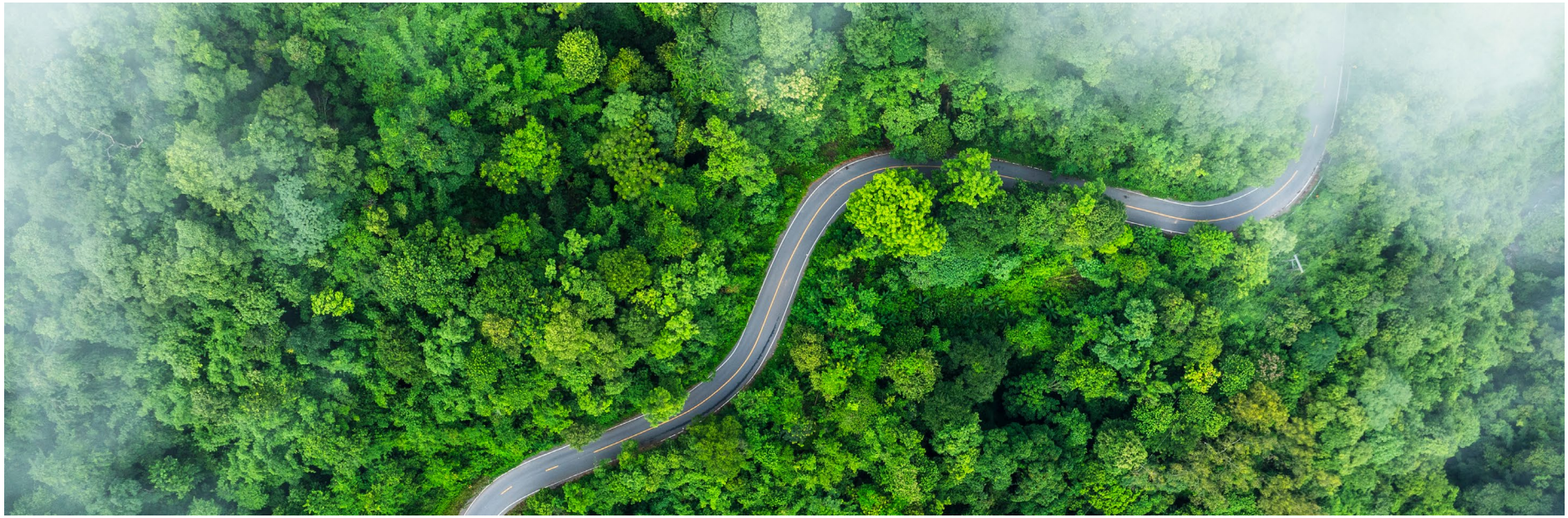
Q: How do you ensure ESG delivers real value rather than just meeting compliance requirements?

For us, ESG is both a risk-management discipline and a driver of value creation. ESG leadership comes from the top, with responsibilities integrated across all functions, from R&D to procurement and operations. We build resilience by managing climate, human rights, and legal risks. But ESG also drives innovation and operational excellence. Our sustainable products strengthen our market position, while empowering our people improves engagement, productivity, and safety. The real value of ESG lies in its contribution to financial resilience and growth.

Initiatives such as replacing SF_6 with clean air in our Instrument Transformers not only reduce environmental risks but also enhance our ability to capture new demand in markets where customers increasingly seek sustainable alternatives. ESG, in that sense, becomes a driver of differentiation and long-term value creation.

Q: What does sustainability leadership mean to you personally?

What I find most compelling about ESG is its system-thinking nature - the way it connects decisions across people, operations, and the environment. ESG integrates many of the principles we already know from operational excellence: efficiency, discipline, and continuous improvement. In that sense, it offers a framework for addressing both short- and long-term imperatives. The short term through operational excellence, and the long term through informed choices about lasting impact. More than anything, ESG adds value by disciplining decision-making: it forces us to ask the right questions, weigh trade-offs transparently, and think in terms of consequences and interdependencies. To me, that's what leadership in sustainability is about. Using a structured, thoughtful approach to build better businesses that perform well today while earning the right to operate tomorrow.



3. Environment

3.1 Environment

Leadership Perspective

Natasha Jovanova
Sustainability Officer,
Trench Group

"Sustainability is integral to our strategy and long-term value creation, with decarbonization driving innovation, resilience, and measurable progress through technology, operational excellence, and strong partnerships."

Environmental responsibility is embedded in how Trench Group designs products, manages operations, and supports the global energy transition. Our impact extends far beyond our factories: it includes the materials we source, the technologies we deliver, and the decades-long use of our equipment in the grid.

Our environmental strategy has two pillars:

- Sustainable Innovation – developing technologies that reduce environmental impact throughout the value chain, supported by LCAs.
- Decarbonization – improving energy efficiency, reducing emissions, and enhancing resource circularity across all manufacturing sites and our value chain.

Together, these pillars guide our contribution to cleaner and more resilient energy systems.

3.2 Sustainable Innovation

3.2.1. Transforming the Global Energy Landscape

Electrification, digital infrastructure, and renewable integration are increasing global grid complexity. At the same time, the industry is transitioning away from mineral oil and SF_6 due to environmental and regulatory pressures. Customers expect high performance, uncompromised reliability, and low environmental impact. The challenge is clear: to continue powering progress without powering climate change. At Trench Group, we are turning that challenge into opportunity. This is where REGENERA® begins.

3.2.2. REGENERA® - Our Sustainability and Performance Label

REGENERA® is Trench Group's green quality label that unites high technical performance with environmental responsibility. It applies to both products and services and is guided by four principles:

Responsible Design
Elimination of hazardous substances such as SF_6 and mineral oil; increased use of recycled, recyclable, and bio-based materials; and designs that support circularity.

Performance and Durability
High, long-term reliability and stable operation under demanding grid conditions, supported by service offerings that maintain optimum performance.

Safety First
Reduced fire risk, safer handling, and enhanced environmental and human safety through responsible material choices and biodegradable insulation options.

Lower Environmental Impact Across the Lifecycle
Designs that reduce embodied emissions, minimize operational losses, and extend service life, supporting customer decarbonization and regulatory readiness.

Through REGENERA®, sustainability becomes a driver of product innovation, ensuring our offering meets the demands of tomorrow's grid.

3.2.3. Our REGENERA® Offering

REGENERA® products: engineered for high performance, reliability, and safety, while delivering a lower environmental footprint.

REGENERA® services: lifecycle support aimed at maintaining efficiency, extending asset life, and ensuring long-term reliability.

REGENERA GREEN QUALITY

Our Signature REGENERA® products

BUSHINGS

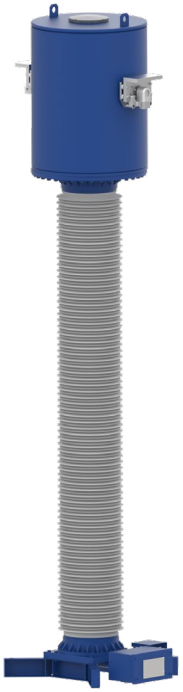
RIS Resin Impregnated Synthetic Transformer Bushing

- Oil-free, dry insulation design that avoids the use of mineral oil and reduces the presence of hazardous substances.
- Designed for stable operation under standard grid conditions with long service life.
- Reduced fire risk and safer handling due to the absence of oil, supporting improved environmental and occupational safety.

INSTRUMENT TRANSFORMERS

Clean Air Current Transformer

- Use of clean air as an insulation medium, avoiding mineral oil and SF_6 gas.
- Explosion-proof design and proven safety performance support safer operation under demanding conditions.
- Stable insulation performance over time reduces degradation-related maintenance and replacement needs.
- Avoidance of SF_6 gas significantly reduces the product environmental impact and supports regulatory readiness.



COILS

High Voltage Shunt Reactors

- Oil-free air-core design that avoids hazardous insulation fluids and reduces environmental risks.
- Noise-optimized design contributes to improved environmental conditions during operation.
- Elimination of oil reduces fire hazards and environmental risks during operation.

3.2.4. Life Cycle Assessments and Environmental Product Declarations

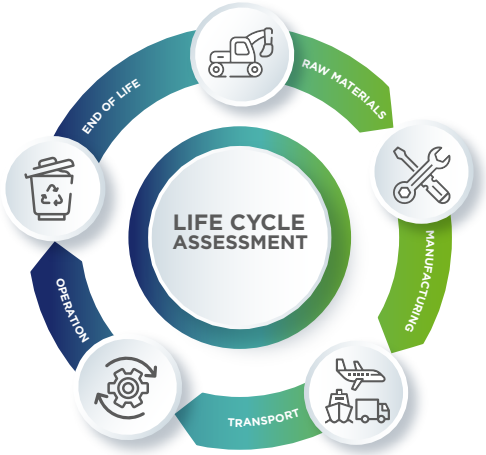
Life Cycle Assessments (LCAs) and Environmental Product Declarations (EPDs) help us transparently quantify environmental impact and identify improvement levers throughout the product lifecycle.

Trench Group's LCA framework:
- aligns with ISO 14040/44 and ISO 14021,
- is supported by trained LCA practitioners at all sites,
- uses central guidelines and templates, and is continuously updated to reflect new standards and customer expectations.

TARGET:
100% LCA coverage across our portfolio[1] by 2030.

1. The ambition applies to LCA coverage per product type; voltage-level variations are not included.

Life cycle stages



3.3 Decarbonization

3.3.1. Environmental Management System

All sites are certified to ISO 14001 and supported by digital systems for energy tracking, emissions monitoring, and compliance. The Integrated Management System ensures ongoing improvement through internal audits, corrective actions, and management reviews. Across the Group, different sites have introduced initiatives tailored to their specific needs, collectively supporting our ongoing sustainability agenda.

3.3.2. Renewable Energy and On-Site Generation

In Financial Year 2025, Trench Group achieved an 82% share of renewable electricity across its sites, supported by:
- on-site PV systems in Germany, Italy, and China, and
- Renewable Energy Certificates (RECs).

TARGET:
100% renewable electricity by 2030.

Electricity consumption	Financial Year
(MWh)	2025
Total electricity consumption	51,932
thereof renewable electricity	42,334
thereof non-renewable electricity	9,598
Share of renewable electricity (%)	82

3.3.3. Process Efficiency, Water, Waste & Circularity

Process Efficiency

We strengthened process efficiency in Financial Year 2025 with focused actions across critical equipment, including:
- energy-efficiency improvements in ovens,
- optimization of pumps and compressors, and
- enhanced curing processes with lower energy requirements.

Water Efficiency

Water reduction initiatives include:
- HSP Germany: ~1,500 m^3/year reduction through process optimization,
- Trench Italy: closed-circuit cooling for vacuum pumps, and
- Trench France: dry pumps and retention tanks protecting groundwater.

Waste management	Financial Year
(metric tons)	2025
Total Waste Generated	6,638
thereof non-hazardous	6,314
thereof hazardous	324
Waste Diverted to Recycling or Reuse	5,242
thereof non-hazardous	5,054
thereof hazardous	188
Waste Disposal	1,395
thereof non-hazardous	1,259
thereof hazardous	136

Circularity & Waste

Circularity measures include closed-loop packaging, resin technology improvements, and increased reuse of materials and components.

3.3.4. Greenhouse Gas Emissions (Scope 1, 2, 3)

In Financial Year 2025, Trench Group completed its first full Greenhouse Gas (GHG) assessment as an independent company, covering Scopes 1, 2, and 3. This milestone underscores our commitment to sustainability and transparency and follows the GHG Protocol Corporate Standard.

Use-phase emissions dominate due to electrical losses over long service lifetimes, highlighting the importance of REGENERA® innovations. Full methodology available in **GHG Inventory Methodology** below in the Appendix.

GHG emissions	**Financial Year**
(metric tons CO_2e)	2025
Gross Scope 1 GHG Emissions	9,755
Gross Scope 2 location-based GHG Emissions	17,816
Gross Scope 2 market-based GHG Emissions	3,213
Gross Scope 3 GHG Emissions	2,884,305

Key drivers of GHG emissions	
Scope 1	stationary combustion (51%), fugitive emissions (47%), including SF_6 leakage, and 2% from organizational vehicles
Scope 2	dependent on country-specific electricity mixes
Scope 3	• 85.2% from use of sold products • 9.7% from purchased goods and services • 3.2% from downstream transport • 1.9% from other categories

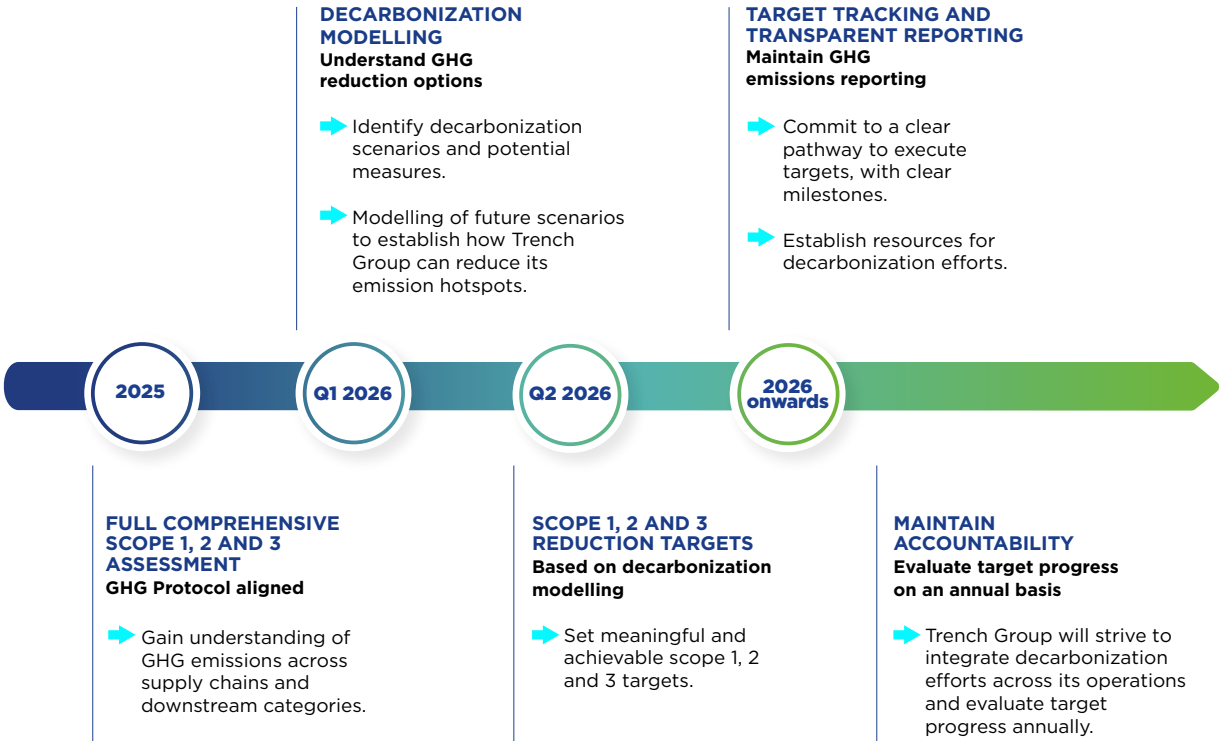
3.3.5. Decarbonization Roadmap

Following our first full GHG assessment, Trench Group is developing a structured decarbonization roadmap aligned with long-term climate ambitions. Initial commitments include:

- 100% share of renewable electricity by 2030,
- Expansion of SF_6-free technologies,
- Increased material circularity and low-carbon materials,
- Optimizing operational energy use, and
- Scaling LCAs across the portfolio.

Additional science-aligned targets will be disclosed in the next reporting year.

Decarbonization roadmap



3.4 Climate Risk Assessment (TCFD-Aligned)

Climate change presents both physical and transition risks across our operations, supply chain, and markets. In 2025, Trench Group completed its first climate risk assessment aligned with the Task Force on Climate-related Financial Disclosures (TCFD).

3.4.1. Governance

Oversight sits with the Board of Directors. The General Counsel leads implementation, supported by the Sustainability Officer and cross-functional collaboration through the monthly ESG Working Group.

3.4.2. Strategy and Scenarios

We assessed risks across short (2025), medium (2030), and long-term (2050) horizons using:
- Physical: SSP1-2.6, SSP2-4.5, and
- Transition: IEA NZE 2050, IEA STEPS.

Physical Risks

Key hazards with potential impacts include:
- Extreme heat: productivity, equipment performance, cooling demands,
- Flooding: building damage, access disruption, downtime,
- Windstorms: roof damage, safety risks, power outages, and
- Landslide & subsidence: structural integrity, and maintenance.

Sites already implement adaptation measures such as flood protection, business continuity plans, and appropriate insurance.

Transition Risks

Material risks include:
- Rising carbon pricing,
- Increased sustainability disclosure requirements,
- Shifts toward low-carbon materials, and
- Customer demand for circular and low-carbon products.

Our mitigation measures include expanding LCAs, strengthening REGENERA®, improving procurement transparency, and enhancing disclosures.

Climate-Related Opportunities

Opportunities are closely linked to our strategy:
- Growth in energy transition markets,
- Expansion of REGENERA® and SF_6-free technologies,
- Operational efficiency gains, and
- Stronger sustainability positioning with customers.

Insights inform product strategy, investment decisions, and future readiness.

Integration Into Core Strategy

Climate insights now inform investment decisions, risk management, and the product innovation roadmap. They support resilience and long-term competitiveness. Please refer to the Sustainable Innovation (see **Sustainable Innovation**) and Decarbonization (see **Decarbonization**) sections of this report.

Additional information, including risk management measures, is available in **Climate Risk Assessment Tables** below in the Appendix.

TCFD framework overview

3.5 Sustainability Awareness and Engagement

Sustainability is advanced through people. Sites conduct awareness programs, sustainability weeks, workshops, and local initiatives, from biodiversity actions to EV-charging and zero-paper processes. These activities strengthen culture and connect daily work with long-term objectives.

Sustainability Weeks play a central role by creating space for learning, dialogue, and practical engagement. Together with site-led activities, they build awareness, encourage ownership, and reinforce a shared sense of responsibility for reinforcing sustainability across the Group.


Trench Italy


Trench Germany

Sustainability weeks across Trench Group


Trench Bulgaria

Trench High Voltage Shenyang

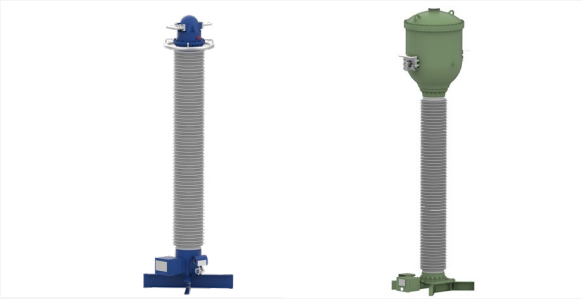

Trench Austria


Trench France

HSP Germany

Trench Canada

CASE STUDY



Innovation That Reduces Impact by Design

Traditional SF_6-insulated current transformers have high lifecycle emissions due to SF_6's global warming potential (23,500 $kgCO_2e$). The REGENERA® OCT replaces SF_6 with optical sensing and nitrogen insulation, delivering zero-GWP performance.

LCA Results (vs. 420 kV SF6 CT):

- 93% reduction in total lifecycle GHG emissions.
- 77% lower product-stage emissions.
- 99.7% lower use-phase emissions.
- 19% lower end-of-life emissions.

The OCT demonstrates how responsible innovation can transform high-voltage measurement technologies. Detailed LCA table available in **Comparative LCA Overview** below in the Appendix.

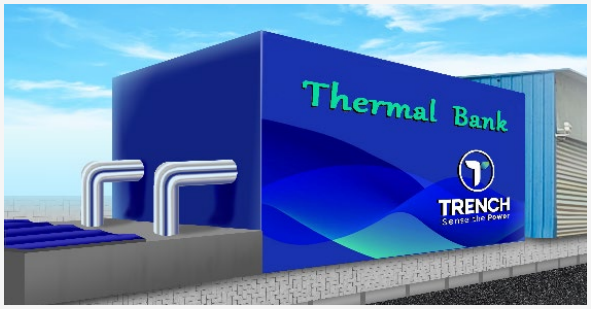
From Mineral Oil to Eco-Fluid

Global regulation is moving beyond mineral oil toward insulation solutions with lower environmental impacts. Trench Group conducted a cross-functional assessment of alternative insulation fluids, evaluating sustainability, technical performance, safety, manufacturing compatibility, cost, and long-term potential.

The selected next-generation eco-fluid delivers:

- Lower lifecycle CO_2 emissions than mineral oil.
- Strong insulating performance.
- Seamless integration into manufacturing.
- Improved end-of-life performance.

This project also created a repeatable methodology for integrating sustainability into product development decisions. The initiative received the Triton Lighthouse Award (Environment) for sustainable innovation.



THVS Smart Energy System for Zero-Carbon Industrial Parks

Trench High Voltage Products Shenyang (THVS) has deployed an AI-enabled multi-energy microgrid across its industrial park, integrating solar thermal systems, photovoltaic generation, heat pumps, thermal storage, and waste heat recovery. The system optimizes energy flows in real time using intelligent controls, significantly improving energy efficiency while reducing operational emissions.

By combining advanced technologies into a unified, reliable energy system, THVS demonstrates how smart integration can support industrial decarbonization at scale. The project has been recognized as a benchmark for China's Zero-Carbon Industrial Park initiative and illustrates how innovative energy solutions can deliver efficiency, resilience, and environmental benefits simultaneously.

Looking ahead

In the coming years, Trench Group will continue to advance its environmental and climate strategy with a focus on performance, resilience, and regulatory readiness.

Our priorities include:

- Expanding energy audits and operational efficiency initiatives.
- Increasing renewable electricity procurement across operations.
- Rolling out a Group-wide Climate Change Policy.
- Broadening LCA coverage and integrating insights into product development.
- Continuing the evolvement of REGENERA® as a framework supporting performance, safety, durability, and sustainability.
- Enhancing climate resilience planning aligned with TCFD.

By embedding climate action, resource efficiency, and responsible innovation into decision-making, we aim to remain a trusted and responsible partner in the energy transition.

4. Social

4.1 Social

At Trench Group, people are the foundation of our long-term success. As global energy systems evolve and customers face rising complexity, it is the expertise, dedication, and ingenuity of our teams that transform technical challenges into meaningful solutions. Technology and capital are essential, but talent, culture, and wellbeing are what set us apart.

We foster a workplace defined by safety, respect, inclusiveness, and continuous development. By empowering employees, promoting fair and healthy working conditions, and investing in skills, we build the capabilities required to support the global energy transition and deliver sustainable value for our customers and communities.

4.2 People Empowerment: Health, Safety and Wellbeing

Leadership Perspective

Maren Stiller
Vice President Quality & EHS,
Trench Group

"As VP Quality & EHS, I focus on strengthening safety culture through proactive hazard reporting, training, and preventive actions to build safer workplaces and protect our people."

Safety is the cornerstone of our culture. Across all Trench Group sites, we maintain a simple principle: every employee has the right to a safe workplace, and every incident is preventable. This requires clear standards, consistent leadership, and active engagement from everyone.

4.2.1. Sense the Power of SHE

"Sense the Power of SHE" (Safety, Health, Environment) is our Groupwide foundation for responsible operations. It embeds shared values, clear expectations, and practical behaviors across all locations.

The program reinforces:

- Personal responsibility for safety,
- Protective risk identification,
- Transparent communication, and
- Environmental stewardship as part of workplace safety.

This framework underpins our Zero Harm ambition and is codified in the Trench Group EHS Policy, which sets minimum standards for safe behavior, risk management, environmental protection, and regulatory compliance.

4.2.2. Sense the Power of Safety Framework

Our Commitment

In Financial Year 2025, Trench Group has expanded its SHE program with the launch of the Sense the Power of Safety framework, turning values into operational practices.

Core Elements

- Hazardous energy control,
- Permit-to-work processes,
- Fire safety and emergency preparedness, and
- Incident and near-miss management.

A structured risk assessment process ensures hazards are identified, mitigated, documented, and reviewed consistently across all sites.

Digital Safety Tools

Locally tailored Safety Apps enable:

- Rapid incident, near-miss, and hazard reporting,
- Real-time alerts and dashboards,
- Standardized response timelines and follow-up, and
- Transparent accountability across leadership and operations.

Employee Responsibility

Safety is a shared responsibility. All employees are required to report hazards or unsafe conditions – no matter how small – to support early prevention.

Knowledge Sharing

Through cross-site exchanges, safety forums, and best-practice libraries, we ensure learnings are replicated and improvements implemented consistently.

Prevention-First Mindset

We prioritize engineering controls, hazard elimination, and continuous training to move beyond compliance and toward predictive risk management.

4.2.3. Health and Safety Performance

Despite a year of growth in production and workforce, our safety performance continues to outperform industry benchmarks:

- TRIR remains ~4 lower than the most recent benchmark[4] for Engine, Turbine & Power Transmission Equipment Manufacturing.
- No fatalities occurred.
- All incidents were investigated, with corrective actions and preventive measures implemented.

TARGET:
0 Occupational incidents.

Health and Safety Indicators	Financial Year 2023	2024	2025
Tot. Recordable Incidents [1]	8	7	12
Tot. Recordable Incident Rate (TRIR)[2]	1.87	1.08	2.49
Lost Time Injury Frequency Rate (LTIFR)[3]	0.94	1.08	1.66

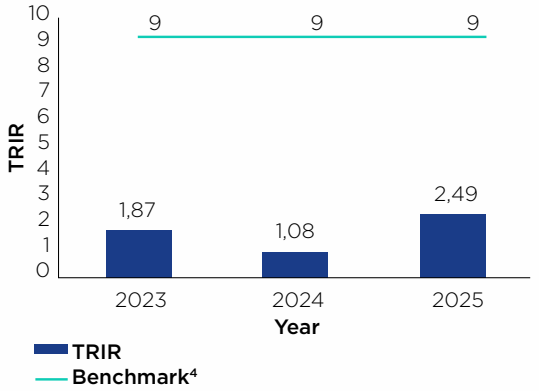
1. Total Recordable Incidents: Includes all work-related restricted work cases, medical treatment cases, and lost time cases within a year. Fatal cases were absent.
2. TRIR: TRIR = (Number of Recordable Incidents x 1,000,000) / Total Hours Worked. The 1,000,000 standardizes the rate to represent incidents per 500 full-time workers working 40 hours per week for 50 weeks a year.
3. LTIFR: LTIFR = (Number of Lost Time Injuries x 1,000,000) / Total Hours Worked.
4. Benchmark: U.S. Bureau of Labor Statistics (BLS), Survey of Occupational Injuries and Illnesses (SOII), Table 1: Incidence rates of nonfatal occupational injuries and illnesses by industry and case types, 2023.

4.2.4. Supporting Physical and Mental Wellbeing

Safety includes physical and mental health. Trench Group promotes:

- Ergonomic assessments across offices and factories.
- Local wellbeing initiatives (yoga, sports events, nutrition sessions, awareness campaigns).
- Preventive healthcare (screening, mental resilience workshops, stress management).
- On-site supportive infrastructure such as ventilation improvements and clean workspaces.

TRIR vs. Benchmark



Spotlight

Trench Austria

Trench Austria's comprehensive wellbeing program, including mental strength workshops, sports initiatives, and health checks, reflects the type of best practice we aim to replicate across the Group.

Trench High Voltage Shenyang

Safety Production Month with Red Cross first-aid certification, hazard investigations, and EHS engagement activities.

Spotlight

Trench Canada Coils

Award-winning safety leadership, innovative training (incl. VR simulations), and strong employee engagement.

Trench Germany

Safety & Compliance Week featuring practical drills, health sessions, and scenario-based workshops.

Factory Voice

"Since joining TCC, I've seen how much safety matters- from daily equipment checks and PPE to training and quick responses from management. It's part of how we work."

Pius Okondo
Assembly Department,
Trench Canada Coils

4.3 People Empowerment: Working Conditions, Talent Development and DEI

Leadership Perspective

Karin Bergmann
Chief Human Resources Officer,
Trench Group

"From a global HR perspective, embedding our values and social goals is essential to attracting talent, fostering inclusion, developing skills, and building a purpose-driven culture that enables long-term growth."

Guiding Principles

We strive to create an environment where employees feel valued, supported, and empowered to grow. Our HR strategy integrates fair working conditions, transparent communication, and targeted talent development.

4.3.1. Working Conditions and Social Dialogue

We see ourselves as a community of "Innomakers" – people driven by purpose and responsibility. Our HR work is grounded in the values of Trust, Responsibility, Excellence, Navigating Change, Candor, and Humility. In line with applicable laws, we respect freedom of association and social dialogue, including through works councils and union representation in several locations.

Compensation and Benefits

- Competitive, market-aligned compensation,
- Strict pay equity principles,
- Bonus and recognition programs,
- Flexible working arrangements adapted to local needs, and (remote options, part-time work, well-being support).

Employee Engagement and Communication

- Regular all-hands meetings and team forums,
- Internal communication channels for transparency, and
- Local events that foster collaboration, cultural connection, and team spirit.

Insights on Employee Engagement

- Turnover rate: 3%, signaling stability and strong commitment.
- 70% participation in the annual engagement survey.
- eNPS of 33, indicating strong advocacy and pride.
- High satisfaction with direct managers and role clarity.
- Opportunities identified: cross-functional collaboration, career development, recognition.

Actions under way:

- New global communication platform,
- Defined career levels (starting with Sales),
- 360° feedback for senior leaders, and
- Review of compensation & benefits to enhance fairness, and transparency.

4.3.2. Talent Development and Engagement

We invest in people to drive long-term business performance.

Cornerstone – Global Learning & Development Platform
Launched in Financial Year 2025, Cornerstone provides:
- Personalized learning paths,
- On-demand digital courses,
- LinkedIn Learning integration (20,000+ courses), and
- Consistent training access for all employees by 2026.

Culture Amp
Culture Amp strengthens people insights through:
- Engagement surveys,
- Onboarding and exit feedback, and
- 360° reviews for top management.

Global & Local Development Opportunities
- Technical and leadership trainings,
- Cross-site rotations (e.g., Germany and France supporting U.S. factory build-up), and
- Regular development conversations and check-in meetings.

4.3.3. Investing in the new generation

We build future talent through:
- Internships and apprenticeships,
- Partnerships with universities and technical institutes, and
- Hands-on exposure to high-voltage engineering and green technologies.

Examples include Trench Italy's participation in Company Day and Trench Austria's award-winning apprenticeship program with 34 apprentices across technical and commercial roles.

DEI principles

EQUITY
We actively recognize and address the unique needs of individuals and groups, removing barriers and creating meaningful opportunities for everyone to succeed.

BELONGING
We nurture "The Power of We," building an inclusive culture where people feel respected, valued, and free to express themselves.

SOCIETY & PARTNERSHIPS
We collaborate with customers, partners, and communities to promote diversity and inclusion beyond our company, amplifying our collective impact.

ACCOUNTABLE LEADERS
Our leaders champion DEI in every decision and action, fostering accountability and embedding these values into how we lead and manage.

4.3.4. Diversity, Equity and Inclusion

At Trench Group, diversity is a strength, and inclusion is a responsibility. Our DEI approach aligns with international standards (UN WEPs, UN LGBTI Standards, SDGs, ILO principles) and focuses on:

- Equity – removing structural barriers,
- Belonging – cultivating The Power of We,
- Society & Partnerships – promoting inclusion beyond Trench Group, and
- Accountable Leaders – embedding DEI in leadership behavior.

TARGET:
30% women in leadership positions by **2030**

Number of employees	**Financial Year 2025**	
Gender/Category	All employees	Management
Total	2,766	412
thereof male	2,080	335
thereof female	620	77
thereof not reported	66	-
Share of women in leadership Position (%)		19

Spotlight

Trophy Football Tournament

In May 2025, Trench Group's Trophy Football Tournament united global teams in Berlin, strengthening cross-border bonds, celebrating teamwork, and promoting wellbeing through shared sporting experiences.

Chinese New Year at THVS

In January 2025, THVS celebrated Chinese New Year, bringing employees together to honor culture, strengthen belonging, and inspire unity, responsibility, and innovation for the year ahead.

Spotlight

Company Day at Trench Italy

In May 2025, Trench Italy joined Company Day, engaging schools and institutions to discuss energy challenges, innovation needs, and emerging skills shaping the future workforce.

Apprenticeship program at Trench Austria

Trench Austria's apprenticeship program develops young talent through dual education, offering hands-on training across technical fields and reinforcing commitment to skilled, inclusive, future-ready professionals.

Spotlight

International Women's Day at Trench Group

During International Women's Day week, Trench locations united women across roles through inspiring breakfasts, fostering dialogue on leadership, self-advocacy, and creating workplaces where every voice truly matters.

Girls Day at Trench Austria

In April 2025, Trench Austria welcomed girls aged 12–15 for Girls Day, offering hands-on experiences in technology, sparking curiosity, confidence, and early interest in technical careers.

4.4 Responsible Supply Chain

Leadership Perspective

Karsten Kinzig
Chief Procurement Officer,
Trench Group

"At Trench Group, sustainable supply chains are built through trust, transparency, and partnership, with procurement strengthening integrity, reducing risk, and advancing responsible practices across our supplier network."

4.4.1 Our Responsibility Beyond the Factory Gate

Sustainability extends across the value chain. We expect suppliers to uphold the same social, ethical, and environmental standards we apply in our own operations.

4.4.2. Business Partner Code of Conduct

All suppliers and intermediaries must comply with the Business Partner Code of Conduct, which requires:

- Respect for human rights and labor standards.
- Safe, healthy, and fair working conditions.
- Environmental protection and minimization of negative impacts.
- Ethical business conduct with zero tolerance for corruption.
- Data security and cybersecurity.
- Responsible sourcing of raw materials.
- Accessible grievance channels and whistleblower protection.

Suppliers are expected to cascade these principles through their own networks.

4.4.3. Human Rights Due Diligence in the Supply Chain

Human rights due diligence follows a risk-based approach, with Trench Group conducting an annual sustainability risk analysis to identify countries, commodities, and suppliers with elevated exposure to risks such as forced or child labor. This assessment draws on internationally recognized indicators and determines the level of oversight applied.

In Financial Year 2025, selected manufacturing entities carried out a detailed review of their external supplier base using these indicators. Suppliers exceeding our internal risk threshold were subject to enhanced due diligence and asked to reaffirm compliance with the Business Partner Code of Conduct. To support consistent long-term monitoring, we also prepared the framework for a multi-year audit cycle for suppliers with higher sustainability risk or strategic importance. Where concerns arise, procurement teams work with suppliers to implement corrective actions, and relationships may be phased out if progress is not demonstrated. Significant cases are reviewed by Global Procurement to determine whether broader restrictions are required. Human-rights-related concerns can be reported confidentially through the EthicsPoint platform, which is accessible to employees, suppliers, and external stakeholders. Trench Group also meets applicable regulatory requirements, including the publication of an annual Modern Slavery Statement in Canada outlining the measures taken to prevent forced and child labor in our supply chain.

CASE STUDY

Low-carbon aluminum initiative at Trench Canada (TCC)

TCC has established a strategic partnership with Rio Tinto for the supply of low-carbon aluminium. This initiative enables:

- **71% lower CO_2** emissions compared to conventional aluminum.
- **2,530 tCO** saved annually, and
- **Certified traceability** through START.

This initiative builds the foundation for scaling greener materials across Trench Group.

Looking ahead

In the coming years, Trench Group will continue to strengthen its social commitments, with a clear focus on safety, wellbeing, people development, and responsible sourcing.

Our priorities include:

- Further embedding prevention-driven health and safety practices across all sites.
- Expanding physical and mental wellbeing initiatives to support employee health.
- Strengthening learning systems, skills development, and leadership capabilities.
- Advancing diversity, equity, and inclusion through clear frameworks and analysis.
- Reinforcing responsible supply chain practices through enhanced supplier ESG due diligence.

By consistently strengthening these areas, we aim to reinforce our long-term commitment to Zero Harm and support a safe, inclusive, and accountable workplace and supply chain.

5. Governance

5.1 Governance

Leadership Perspective

Samantha Neuhaus
Global Compliance Officer,
Trench Group

"Strong governance upholds trust within our company through integrity, accountability, and embedded compliance, translating ethical standards and risk-based controls into consistent operational decisions."

Good governance is the foundation of Trench Group's long-term success. It shapes how we take decisions, manage risks, and act with integrity in every market where we operate.

Our governance framework combines clear policies and responsibilities with practical tools that help employees "do the right thing" in their day-to-day work whether they are designing products, engaging with customers, working with suppliers, or handling data.

In Financial Year 2025, we sharpened this framework: updating our Business Conduct Guidelines, launching our Business Partner Code of Conduct, strengthening third-party due diligence, and expanding training and whistleblowing channels. In parallel, we advanced our cybersecurity and AI governance to support a digital, data-driven business model that remains secure, ethical, and future-ready.

5.2 Business Conduct

Our culture is built on ethical behavior, transparency, integrity, and accountability. These principles guide how we work with employees, customers, partners, and communities, and ensure that our actions consistently reflect the values we stand for.

5.2.1. Business Conduct Guidelines (BCG)

The Trench Group Business Conduct Guidelines (BCG), updated in 2025, translate our values into concrete expectations for everyday behavior.

They provide a common reference for all employees, regardless of role or location, outlining how we:

- Compete fairly and responsibly,
- Prevent bribery and corruption,
- Respect human rights and diversity,
- Safeguard company and personal data, and
- Protect people, the environment, and company assets.

Structured around four core principles, the BCG empower employees to lead with integrity, take ownership of their decisions, and raise concerns when something does not feel right. The BCG are available in all relevant languages and are introduced to every new employee as part of the onboarding process.

Core BCG principles

5.2.2. Business Partner Code of Conduct

Our Business Partner Code of Conduct (BPCC) sets clear expectations for all agents, distributors, suppliers, contractors, consultants, and other partners in our value chain.

It translates Trench Group's commitment to fairness, integrity, and sustainability into requirements that business partners must follow, including:

- Respecting human rights and labor standards,
- Ensuring safe and healthy working conditions,
- Protecting the environment and managing resources responsibly,
- Prohibiting bribery, corruption, money laundering, and anti-competitive behavior,
- Safeguarding data and cybersecurity, and
- Providing effective grievance channels and protecting whistleblowers.

Adherence to the BPCC is a mandatory part of onboarding and contractual agreements. We also expect partners to promote these standards in their own supply chains, helping to extend responsible practices beyond our direct relationships.

5.2.3. Preventing Bribery, Corruption, and Misconduct

Trench Group enforces a zero-tolerance stance on bribery and corruption. This approach is supported by a set of complementary policies and controls:

Anti-Bribery & Anti-Corruption Policy
Prohibits all forms of bribery, facilitation payments, and improper advantages. Compliance is reinforced through mandatory e-learning, in-person training for higher-risk roles, and periodic internal audits.

Antitrust Policy
Ensures fair competition by forbidding collusion, bid-rigging, price-fixing, and abuse of market power in our own activities and those of third parties acting on our behalf.

Conflict of Interest Policy
Requires employees to disclose personal or financial interests that could impair impartial judgment and sets out how such conflicts are assessed and managed.

Anti-Money-Laundering (AML) Policy
Establishes controls to prevent and detect money laundering, terrorist financing, and related financial crimes, including due diligence on counterparties and mandatory reporting of suspicious activity.

Together, these policies form a consistent framework that safeguards our reputation, protects our stakeholders, and reinforces our commitment to responsible business conduct.

5.2.4. Third Party Due Diligence

We apply a risk-based due diligence process to agents, distributors, and other higher-risk intermediaries to ensure they operate with transparency, integrity, and full legal compliance. Each third party must:

- Adhere to the Business Partner Code of Conduct,
- Undergo initial screening, risk rating, and, where necessary, enhanced due diligence, and
- Be monitored on an ongoing basis, particularly in higher-risk markets or activities.

To support this work, Trench Group uses NAVEX, a leading third-party compliance risk platform. NAVEX screens agents and distributors against more than 1,400 global and local watchlists, including sanctions, politically exposed persons (PEPs), enforcement databases, and adverse media.

The system automatically assigns risk tiers and triggers the appropriate due diligence workflow, ensuring consistency, traceability, and audit readiness.

High-risk agents and distributors are subject to enhanced due diligence conducted by a specialist provider, combined with continuous monitoring and periodic re-screening. Business Sponsors are responsible for maintaining close oversight, including regular discussions and site visits, updating due diligence information, and reporting potential red flags to Compliance.

TARGET:
Maintain 100% screening of all agents and distributors for ethics-related risks.

By 2026, we aim to have refreshed due diligence in place for all legacy agents and distributors.

5.2.5. Building a Culture of Compliance

Policies and tools only work when people understand and use them. To embed compliance into everyday work, Trench Group runs a structured training program for employees and key third parties.

All employees are required to complete core e-learning on:
- Trench Group Business Conduct Guidelines,
- Whistleblowing and whistleblower protection, and
- Data protection and information security (including GDPR-aligned requirements).

Employees in higher-exposure roles-such as Sales, Finance, and Procurement-receive additional training on anti-bribery and corruption, sanctions, antitrust, and anti-money-laundering. Relevant employees are also included in targeted refreshers and case-based workshops.

Training for relevant employees	**Financial Year**
Coverage (%)	2025
Anti-Bribery and Corruption	95
Anti-Money Laundering	83
Sanctions	100
Anti-Trust	95
Whistleblowing Policy	84

Third-party partners are increasingly integrated into this learning journey through onboarding webinars and annual online refresher courses for high-risk agents and distributors.

TARGET:
100% of relevant employees complete core ethics training.

5.2.6. Speaking Up and Managing Concerns

A key element of our governance system is a robust, confidential whistleblower mechanism that allows employees, suppliers, customers, and other partners to report concerns safely and securely.

Our EthicsPoint platform is available 24/7 and accessible:
- In multiple languages,
- Online, by phone, and via mobile, and
- To all employees, business partners, and customers.

Reports can relate to suspected breaches of law, internal policies, or ethical standards. Trench Group guarantees confidentiality and, where permitted by law, anonymity for all reporters.

Our strict Non-Retaliation Policy ensures that no one who raises a concern in good faith suffers negative consequences for speaking up. Each report is reviewed by the Legal & Compliance team, which determines next steps, initiates investigations where necessary, and monitors remediation.

Insights from cases are used to improve controls, policies, and training, helping to strengthen our culture of transparency and accountability.

During the reporting period, Trench Group recorded no confirmed incidents of corruption, bribery, anti-competitive behavior, or violations of antitrust and monopoly legislation, and no fines, penalties, or warnings related to non-compliance with applicable laws and regulations.

5.3 Information security

As digitalization accelerates, safeguarding information and systems is central to Trench Group's resilience and long-term success.

Our cybersecurity framework, aligned with ISO 27001 principles, focuses on three pillars:

- Robust governance and processes

Regular risk assessments, clearly defined roles and responsibilities, and standardized security procedures across sites.

- Technical safeguards

Layered security architecture, strong access controls, secure network design, vulnerability management, and incident response processes that ensure timely detection and remediation.

- People awareness and behavior

Targeted training, awareness campaigns, and regular phishing simulations to help employees recognize threats and handle data responsibly.

Information security is integrated into day-to-day operations-from engineering systems and production environments to business applications and remote work. We continuously monitor emerging threats and adapt our controls, ensuring that security supports innovation rather than slowing it down.

5.4 Artificial intelligence

Artificial intelligence is an important driver of Trench Group's digital transformation. AI helps us work more efficiently, improve quality, and accelerate innovation—while also supporting our sustainability ambitions through smarter planning and more efficient use of resources.

Across the company, AI already supports:

- Engineering and design, through smart configurators and knowledge tools.
- Sales and quotation processes, via RFQ assistants and document analysis.
- Production planning and quality control, through data-driven optimization.
- Corporate functions, such as Legal and Procurement, through AI-supported contract and data review.

Responsible innovation is at the core of our approach. Trench Group has implemented an AI Ethics Framework and established a dedicated AI Steering Committee. All AI projects are reviewed regularly to ensure:

- Compliance with applicable laws and emerging AI regulations.
- Alignment with Trench Group's values and ethical standards.
- Transparent use of data and clear accountability for outcomes.

Capability building is a key enabler. Through the Trench Intelligence Lab (TIL), partnerships with universities, and internal training programs, we are equipping employees with the skills they need to use AI effectively and responsibly.

Spotlight

Compliance day at Trench Germany

In 2025, Trench Germany hosted a site-wide Compliance Day under the motto "Let's Recharge Compliance". The event combined scenario-based workshops, function-specific sessions, and practical exercises to bring compliance topics to life. Management teams discussed real-world cases and developed responses together, while tailored sessions covered topics such as unfair competition and bid-rigging (for Sales and Order Management) and conflict of interest and AML (for Procurement and Finance).

Blue-collar employees took part through a train-the-trainer approach focusing on the Business Conduct Guidelines, whistleblowing channels, and data protection basics. The strong participation across all functions underscored a shared message: integrity is not an abstract principle at Trench Group, but something practiced in every decision and interaction.

Spotlight

North Star AI Project

The North Star AI Project aims to automate core business processes and free up time for higher-value work across Trench Group. Led by the NOVA team – AI application experts under the leadership of the Managing Director of Trench Canada – the initiative focuses on solutions such as automated specification analysis for engineering, significantly reducing repetitive tasks.

The project is being rolled out across Europe, North America, and China through local Trench Intelligence Labs at each site. These labs adapt and scale AI solutions to local needs while adhering to the group's AI Ethics Framework. The North Star AI Project exemplifies how technology and human ingenuity can work together to build a more sustainable, efficient, and future-ready Trench Group.

CASE STUDY

Strengthening Legal Efficiency with Luminance

To modernize its contract management, Trench Group implemented Luminance, an AI-powered legal technology platform that automates contract analysis and centralizes legal documentation. Previously, contract review processes were fragmented and time-consuming. Luminance now:

- Scans, tags, and stores contracts in a secure, searchable repository,
- Conducts first-pass clause and risk analysis, supporting faster legal review,
- Enables significant time and cost savings in contract review, and
- Helps provide consistent, data-driven insights across the global contract portfolio.

By integrating Luminance into its workflows, the Legal function has evolved from a primarily reactive role to a more strategic, scalable capability, illustrating how AI can enhance governance, not just operational efficiency.

Looking ahead

In the coming years, Trench Group will continue to strengthen its governance framework as a key enabler of sustainable growth.

Our priorities include:

- Further integrating ethics and compliance into business planning, performance management, and incentive structures.
- Expanding training and awareness on core integrity topics, with particular focus on managers and high-risk functions.
- Deepening third-party oversight, including broader application of ESG-related criteria in supplier and intermediary management.
- Enhancing information security and AI governance in line with evolving regulations and best practices.

By continuously improving governance, we aim to protect our stakeholders, reinforce trust, and ensure that Trench Group remains a reliable and responsible partner in a fast-changing world.

6. Appendix

6.1 Detailed DMA Results

Trench Group conducted its first Double Materiality Assessment (DMA) in 2024 to identify the sustainability matters that are material from both impact materiality and financial materiality perspectives, in line with the ESRS and the CSRD requirements. This section reflects list of Impacts, Risks, and Opportunities (IRO) identified within assessment.

6.1.1. ESRS E1 Climate change

Sub-topic	IRO	Description
Climate change adaptation	Risk	Climate-related risks can disrupt production and damage assets, ultimately impacting business continuity and financial stability.
Climate change mitigation	Opportunity	Developing environmentally friendly and hazardous substances free products can strengthen competitive advantage.
	Positive impact	Environmentally friendly and hazardous substances free products are reducing environmental footprints, protecting the environment, and supporting the shift toward a low-carbon future.
	Opportunity	Implementation of decarbonization strategy can enhance brand reputation, attract eco-conscious customers, and unlock new revenue streams from sustainable products and services.
	Negative impact	GHG emissions from own operations (scope 1 and 2) which are relatively low, as well as Scope 3 (upstream and downstream value chain) contribute to climate change.
Energy	Risk	Electrification, decarbonization, and energy efficiency measures elevate CAPEX and OPEX, introducing financial risks that could constrain profitability and undermine competitive advantage.
	Positive impact	Shifting to renewable energy drives significant progress in decarbonization and reinforces a strong commitment to environmental stewardship.

6.1.2. ESRS E2 Pollution

Sub-topic	IRO	Description
Substances of very high concern	Negative impact	The use and improper handling of SF_6 in products can increase greenhouse gas emissions and environmental contamination, legal liabilities and reputational risks.

6.1.3. ESRS S1 Own workforce

Sub-topic	IRO	Description
Working conditions	Positive impact	Enabling a robust safety culture, reinforced by effective programs and training, enhances employee well-being, minimizes incidents, and drives greater productivity across the organization.
	Risk	Failure to uphold high safety standards may lead to workplace injuries, fatalities, and legal liabilities, affecting employee well-being and potentially impacting the company's financial performance and reputation.
	Positive impact	Enabling secure employment, competitive compensation and incentives as well as healthy work-life balance foster a supportive organizational culture, enabling higher employee engagement, and enhancing safe and fair work environment.
Equal opportunities for all	Positive impact	Cultivating a diverse, equitable, and inclusive workplace, with balanced gender representation and strong anti-harassment policies, enhances creativity, decision-making, and employee well-being, strengthening reputation and supporting long-term business success.
	Positive impact	Providing comprehensive training and resources empowers employees to develop essential skills, advance their careers, increase retention, and contribute to the organization's success and growth.

6.1.4. ESRS G1 Business conduct

Sub-topic	IRO	Description
Corporate culture	Positive impact	A robust corporate culture grounded in ethics, transparency, and integrity fosters collaboration, drives accountability, and unites employees around shared goals, building a foundation for long-term success and resilience.
Protection of whistle-blowers	Positive impact	Protecting whistleblowers through anti-retaliation policies and procedures fosters a safe reporting environment, promoting transparency and reinforcing ethical business practices.
Corruption and bribery	Risk	Violations of anti-trust, anti-corruption, anti-bribery, and anti-money laundering regulations and unethical business practices can lead to potential legal liability, reputational damage, and financial penalties
Management of relationships with suppliers including payment practices	Positive impact	A Supplier Code of Conduct fosters responsible and ethical business practices and upholds human rights throughout the supply chain.
	Risk	Shifting to local and more sustainable suppliers can increase production costs, potentially raising product prices and impacting financial performance and market competitiveness.

6.2 GHG Inventory Methodology

6.2.1. General Information

Reporting period:
The GHG inventory covers the period from October 1, 2024, to September 30, 2025, aligned with Trench Group's annual financial reporting cycle.

Organizational boundary:
Defined using the operational control approach, covering all sites and activities managed directly by Trench Group.

Calculation methods:
Based on the GHG Protocol Corporate Standard, using activity data, relevant emission factors, and source-specific calculations across all geographies.

Emission factor sources:
Emission factors are sourced from recognized and authoritative datasets. The most recent available factors are used unless otherwise noted.

Data quality and assumptions:
Data quality is ensured through standardized collection templates, cross-checking against historical trends, and corporate-level validation of assumptions. Emission factors are region-specific and up to date.

6.2.2. Scope 1 and Scope 2

- Scope 1 emissions: Include direct emissions from stationary combustion, mobile sources, and fugitive emissions (including SF_6), calculated using activity data.
- Scope 2 emissions: Include indirect emissions from purchased electricity, calculated using both the location-based and market-based methods, capturing differences in regional grid intensity and contractual electricity purchasing practices.

6.2.3. Scope 3

Scope 3 emissions: Include indirect emissions across relevant value chain categories, calculated using category-specific methods based on spend data, activity data, or engineering models, depending on data availability:

- Category 1 Purchased Goods and Services: Calculated using a spend-based approach informed by procurement data.

- Category 9 Downstream Transportation and Distribution: Estimated using company-specific data on shipment volumes and end-market destinations from each facility.
- Category 11 Use of Sold Products: Modelled using product-specific energy-loss calculations validated by engineering and R&D experts, combined with electricity-mix data for the relevant end-market geographies.
- Other Categories (2, 3, 4, 5, 6, 7, 12, 13): Assessed using a mix of spend-based data, company-specific estimates, and activity-based inputs, depending on data availability.

Scope 3 Category 11: Use of Sold Products

Category 11 of the GHG Protocol covers emissions generated during the use phase of products sold within the reporting year. For Trench Group, this category represents the largest share of value-chain emissions and reflects the energy-intensive nature of high-voltage equipment during operation. Our calculations estimate the total expected lifetime emissions associated with typical operating conditions for all product lines.

Key Emission Sources:

- Electrical losses: Indirect CO_2e emissions arise from electricity losses during transmission, including dielectric and resistive losses in instrument transformers, bushings, and coils. These losses vary depending on the carbon intensity of the electricity grid where the product is installed.
- SF_6 leakage: A minor portion of Category 11 emissions results from SF_6 leakage in certain components. Emissions are calculated using product-specific leakage rates informed by manufacturer data and historical performance.

Calculation Approach:
The assessment includes all products- instrument transformers, bushings, and coils, sold during the reporting year. The methodology applied the following principles:

Operational lifetime:

- Each product line is assigned a lifetime based on industry benchmarks and internal engineering data.
- Typical load profiles and ambient conditions are assumed to reflect standard grid behavior.

Product-specific parameters:

- Rated voltage, current, conductor characteristics, and design specifications are used to calculate electrical losses.

Geographic electricity mix:

- Destination countries were mapped using available end-market information, and corresponding grid emission factors were applied to reflect local carbon intensity.

SF_6 leakage modelling:

- Leakage rates were combined with the expected operational lifetime to calculate associated GHG emissions.

Scope 3 considerations:

- Scope 3 categories, not material to Trench Group's business model were transparently excluded, including Category 10 (Processing of Sold Products), Category 14 (Franchises), and Category 15 (Investments).
- Service activities are not included in Category 11 emissions.

Scope 3 GHG emissions	Metric tons CO_2e
1. Purchased Goods and Services	281,817
2. Capital Goods	6,899
3. Fuel- and Energy-Related Activities (Not Included in Scope 1 or Scope 2)	8,720
4. Upstream Transportation and Distribution	11,164
5. Waste Generated in Operations	312
6. Business Travel	2,829
7. Employee Commuting	3,539
8. Upstream Leased Assets	N/a
9. Downstream Transportation and Distribution	93,744
10. Processing of Sold Products	N/a
11. Use of Sold Products	2,468,862
12. End-of-Life Treatment of Sold Products	6,261
13. Downstream Leased Assets	158
14. Franchises	N/a
15. Investments	N/a

6.3 KPI Definitions & Calculation Methods

- TRIR- Total Recordable Incident Rate measures the frequency of all recordable work-related incidents (including restricted work cases, medical treatment cases, and lost time cases within a year; fatal cases were absent) per standardized number of hours worked.

  TRIR = (Number of Recordable Incidents × 1,000,000) / Total Hours Worked. The 1,000,000 standardizes the rate to represent incidents per 500 full-time workers working 40 hours per week for 50 weeks a year.

- LTIFR- Lost Time Injury Frequency Rate measures the frequency of work-related injuries that result in at least one lost day.

  LTIFR = (Number of Lost Time Injuries × 1,000,000) / Total Hours Worked.

- eNPS- Employee Net Promoter Score measures employee advocacy and overall satisfaction by assessing the likelihood that employees would recommend the company as a place to work.

  eNPS = % Promoters – % Detractors

- DEI Metric- Women in Leadership measures gender representation in leadership roles by tracking the proportion of women holding positions with formal disciplinary responsibility.

  Women in Leadership (%) = (Number of women with disciplinary responsibility / Total number of leaders with disciplinary responsibility) × 100.

- Waste Diversion Rate (%) – percentage of total waste that is reused or recycled instead of being sent to disposal (incineration, landfill, comporting).

  Waste Diversion Rate = Waste Recycled or Reused / Total Waste Generated ×100

- Renewable Electricity Consumption (%) – percentage of total electricity consumption sourced from renewable energy (e.g., wind, solar, hydro). Either through direct supply, certificates, or on-site generation.

  Renewable Electricity (%) = Electricity from Renewable Sources / Total Electricity Consumption × 100

- LCA coverage (%) - the proportion of Trench Group's product portfolio for which an LCA has been completed. It is assessed at the product-type level (Bushings, Instrument Transformers, and Coils), and excludes variations based on voltage level.

  LCA Coverage (%) = (Number of product types with a completed LCA / Total number of product types in scope) × 100.

6.4 Site Overview & Certifications

Entity	ISO 9001	ISO 45001	ISO 14001	Year of certification / surveillance audit date
Trench Germany	✓ Certified	✓ Certified	✓ Certified	2025
HSP Germany	✓ Certified	✓ Certified	✓ Certified	2025
Trench Austria	✓ Certified	✓ Certified	✓ Certified	2025
Trench France	✓ Certified	✓ Certified	✓ Certified	2025
Trench Italy	✓ Certified	✓ Certified	✓ Certified	2025
Trench Bulgaria	✓ Certified	✓ Certified	✓ Certified	2025
Trench Canada Instrument Transformers	✓ Certified	✓ Certified	✓ Certified	2025
Trench Canada Coils	✓ Certified	✓ Certified	✓ Certified	2025
Trench High Voltage Shenyang	✓ Certified	✓ Certified	✓ Certified	2025

6.5 Climate Risk Assessment Tables

6.5.1. Climate related physical risk

Risk type	Physical risk	Impact driver	Potential impact
Acute	Heat stress	Days with maximum temperature above 35C⁰	Worker productivity losses
		Wet-bulb temperature days	Health and safety risks
			Equipment overheating
			Increased HVAC energy use
			Potential water scarcity
	Flooding (pluvial and river)	Very heavy precipitation days	Building and equipment damage and submersion
		Precipitation on extremely wet days	Production downtime
		Proximity to rivers	Access disruptions
			Logistics delays
	Windstorm	Peak wind gust speed factor	Damage to roofs, cranes, solar panels
			Power outages or production downtime
			Safety risks to workers
			Loss of outdoor-stored materials or equipment
	Landslide	Ground damage susceptibility	Building and equipment damage
		Landslide susceptibility	Blocked access and site inoperability
			Disruption of logistics
Chronic	Subsidence	Geological susceptibility	Gradual building degradation
			Increased maintenance and structural repair costs

6.5.2. Climate-related transition risk

Risk type	Transition risk	Potential impact	Time-horizon	Risk mitigation measures
Policy and legal	Exposure to carbon pricing due to carbon-intensive inputs	Carbon pricing mechanisms (EU ETS, CBAM, carbon taxes) are expected to increase the cost of inputs such as steel, aluminum, and electricity. This may lead to margin compression, especially in cost-sensitive markets	Medium-term	Conduct product LCA assessments to identify material carbon hotspots Explore product eco-design alternatives to reduce material intensity
	Sustainability disclosure reporting obligations	Frameworks such as CSRD and CBAM require detailed disclosures resulting in increased compliance costs. Incomplete or inaccurate reporting could result in reputational damage or legal non-compliance	Short-term and medium-term	Strengthening ESG governance and disclosure practices Conducted Double Materiality Assessment Conduct periodic regulatory reviews Enhance cross-functional collaboration for ESG data management
Technology	Pressure to transition to lower emissions technology	Pressure decreasing may require rapid investment in alternative processes, equipment, and product designs. CAPEX burden upgrade production infrastructure to remain competitive and aligned with customer and regulatory expectations	Medium-term	Advance development of SF_6-free technologies Expand renewable electricity procurement across sites R&D investment in low-carbon innovation
	Limited availability for greener alternatives	Rising demand for low carbon aluminum, steel, and plastics may outpace supply, leading to volatility and higher procurement costs	Medium-term	Explore partnerships for green materials procurement Plan to advance supplier engagement
Market	Growing demand for low-carbon, circular products	Customers increasingly request carbon transparency and lifecycle assessment (e.g., product carbon footprints, material passports, etc.). Inability to meet customers' expectations may result in Revenue loss and missed tenders	Short-term and medium-term	Implemented digital carbon foot printing and LCA tools Incorporate recycled and lower-emissions input materials Integrate ESG messaging into commercial communication
Reputation	Increased stakeholder scrutiny on climate performance and disclosure	Investors and customers increasingly expect robust ESG disclosures. Lack of transparency may affect customer retention and brand perception	Short-term and medium-term	Strengthen climate-related disclosure Implement robust internal validation process for ESG claims

6.5.3. Opportunities Table

Opportunity type	Opportunity	Potential impact	Opportunity realization measures
Products and services	Expansion of low-carbon product offerings	Growing demand for low-emission solutions creates a competitive advantage and revenue uplift, especially through REGENERA® products	Continued R&D in low-carbon design and SF_6-free technologies Expansion of REGENERA® offering of products and services Lifecycle footprint measurement and transparency
	Positioning as a sustainability leader	Stronger brand equity, increased client acquisition and retention, and reputation-based differentiation	Sustainability-driven customer engagement Integration of ESG data and messaging in tenders and proposals Transparent ESG disclosures
Markets	Electrification of industry and infrastructure	Surging global electricity demand drives increased need for Trench Group's high-voltage products and grid infrastructure	Offerings for grid expansion Market development for energy transition projects Cross-industry partnerships
Resource efficiency	Energy efficiency and process optimization	Reduced operating costs, improved reliability and productivity	Investment in heat recovery, electrified processes, energy efficient equipment

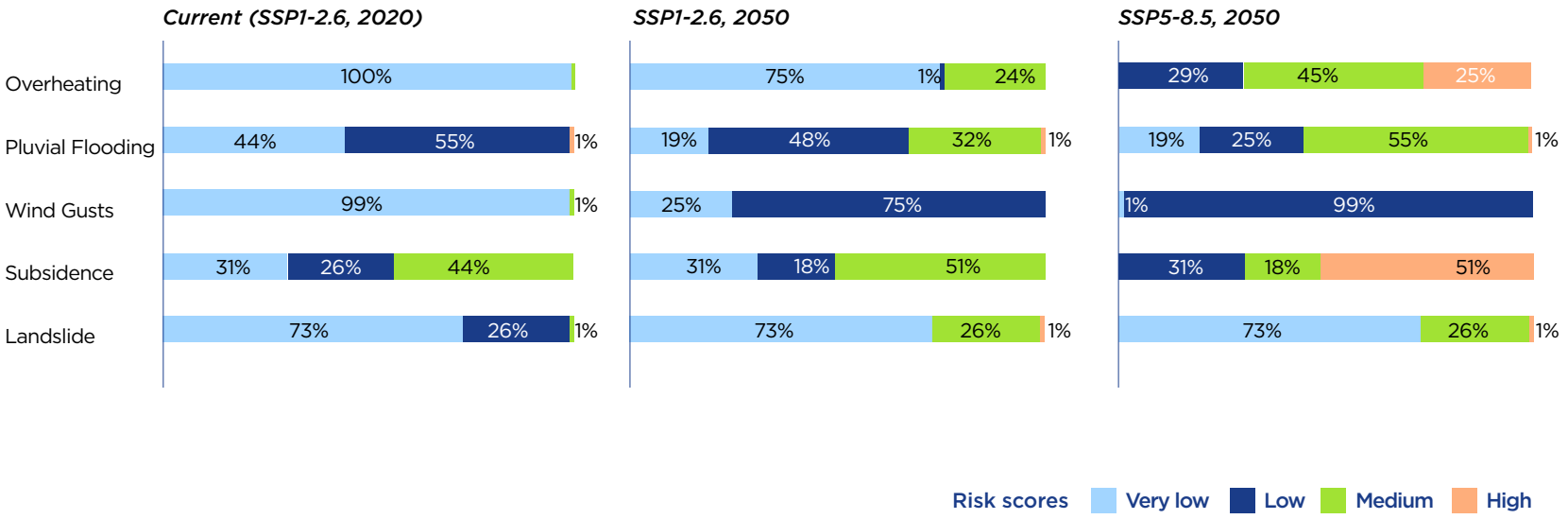
6.5.4. Scenario Analysis

Physical risk scenario analysis applied two climate change scenarios: SSP1-2.6 and SSP 5-8.5. It leveraged scientific datasets from the ISIMIP (Inter-Sectoral Impact Model Intercomparison Project) and NASA-NEX (NASA Earth Exchange). The graph below reflects the percentage of manufacturing assets value under different risk levels across scenarios.

Transition risk scenario analysis is informed by International Energy Agency (IEA) outlooks:

- NZE 2050 – the ambitious decarbonization pathways scenario,
- STPES – the announced policy scenario.

The share of total manufacturing asset value suspectable to climate hazards



Risk type	Transition risk	STEPS scenario	NZE scenario
Policy and legal	Exposure to carbon pricing due to carbon-intensive inputs	Medium impact Carbon prices increase moderately in key regions, gradually affecting input costs	High impact Carbon pricing rises sharply and expands globally, accelerating cost pressure and input substitution
	Sustainability disclosure reporting obligations	Medium impact Disclosure frameworks expand in coverage but at different speeds across jurisdictions	High impact Mandatory reporting accelerates; deeper audits and third-party assurance raise complexity and risk of non-compliance
Technology	Pressure to transition to lower emissions technology	Medium impact Moderate shift toward green manufacturing; moderate investment pressure	Medium impact Accelerated shift toward low-emission manufacturing requires increased R&D and capital allocation
	Limited availability for greener alternatives	Medium impact Green material supply increases, but demand still exceeds availability	High impact Global demand surges and competition for green inputs becomes intense
Market	Growing demand for low-carbon, circular products	Medium impact Client requirements increase moderately; early movers benefit most	High impact Low-carbon products become a prerequisite in tenders and contracts
Reputation	Increased stakeholder scrutiny on climate performance and disclosure	Medium impact Market expects steady ESG progress, but scrutiny remains manageable	High impact Scrutiny intensifies across industries; failure to meet expectations results in reputational damage

6.6 Comparative LCA Overview

To validate the environmental benefits of the REGENERA® OCT, Trench Group conducted a rigorous comparative Life Cycle Assessment between a conventional 420 kV SF_6-insulated current transformer (CT-1) and the REGENERA® Optical Current Transformer (OCT-2).

Goal and Scope Definition

- Goal: Quantify and compare environmental impacts across the full lifecycle of both instrument transformer types.
- Study Type: Attributional, cradle-to-grave comparative LCA.

Key Methodological Elements

- Standards Applied: ISO 14040 and ISO 14044.
- Impact Assessment Method: EN 15804+A2, based on EF 3.0- v3 (Ecoinvent v3.8).
- Inventory Data: Harmonized emission factors and background datasets from recognized LCA databases (e.g., Ecoinvent v3.8).
- Declared unit: One (1) current transformer, 420 kV voltage class.
- Assumptions:
  - Identical lifetime, load profile, ambient operating conditions assumed for both units.
  - Manufacturing emissions calculated using average per-unit values derived from total annual manufacturing energy consumption.
  - Identical transport data to customer site assumed for both units.
  - Identical waste transport data at EOL assumed for both units.
- Cut-off criteria: Applied consistently across both LCAs to maintain methodological symmetry.

System Boundaries

Both products were assessed using the same cradle-to-grave boundary conditions:

- Raw material extraction and transport.
- Product manufacturing.
- Transport to installation site.
- Use phase, including operational losses and SF_6 leakage (where applicable).
- End-of-life treatment, including recycling and disposal pathways.

Internal Review and Validation

- The study underwent an internal expert review by the R&D and sustainability teams to confirm modelling accuracy, data integrity, and alignment with ISO requirements.
- All datasets, assumptions, and calculation procedures were documented, cross-checked, and validated for consistency.

Results

Lifecycle Stage	CT-1 emissions (SF_6) [kg CO_2e]	OCT-2 emissions [kg CO_2e]
Product Stage	7,985	1,818
Transport Stage	48	20
Use Stage	20,409	64
End of Life	264	197
Total	28,706	2,099

6.7 Index for VSME

This Index for VSME outlines Trench Group's disclosures for the FY2025 reporting year, prepared in accordance with the Voluntary Standard for Sustainability Reporting for Medium-sized Enterprises (VSME), Basic and Comprehensive Module.

It maps each VSME requirement to the relevant section of this report and provides the relevant data points directly within the index table. The disclosure applies to Trench Group GmbH on a consolidated Group level.

6.7.1. Basic Module

Disclosure	Data points	Value	Comment
B1 – Basis for preparation	Disclose if selected Basic Module only OR Basic Module and Comprehensive Module	Basic Module and Comprehensive Module	
	Indicate which disclosure omitted are deemed classified or sensitive	N/a	
	List of subsidiaries (in case of consolidated report)	See Subsidiaries list below	
	Registered address	Sachsendamm 63, 10829 Berlin, Germany	
	Undertaking's legal form	Private limited liability undertaking (GmbH)	
	NACE sector classification code(s)	70.10	For Trench Group GmbH
	Size of the balance sheet in euros	/	
	Turnover	906,498,828.90 euros	
	Number of employees in headcount or full-time equivalents	2,766	Average headcount in FY25, excluding dormant contracts
	Country of primary operations and location of significant asset(s)	See Sites list below	
	Geolocation of sites owned, leased or managed	See Sites list below	
	Brief description of any sustainability-related certification or label	N/a	

6.7.1. Basic Module

Disclosure	Data points	Value
B2 – Practices, policies and future initiatives for transitioning towards a more sustainable economy	**State whether the company has:** a) practices	See sections: Sustainability at Trench Group, Environment, Social and Governance
	b) policies on sustainability issues	See sections: Sustainability at Trench Group, Environment, Social and Governance
	c) future initiatives or forward-looking plans on sustainability issues	See sections: Sustainability at Trench Group, Environment, Social and Governance
	d) targets	See sections: Sustainability at Trench Group, Environment, Social and Governance
	e) practices, policies and future initiatives include what the undertaking does to reduce its negative impacts and to enhance its positive impacts on people and the environment	See sections: Sustainability at Trench Group, Environment, Social and Governance
B3 – Total energy consumption	Total energy consumption	77,103 MWh
B3 – Breakdown of energy consumption	Electricity (as reflected in utility buildings)	51,635 MWh
	a) renewable	42,006 MWh
	b) non-renewable	9,629 MWh
	Fuels	25,140 MWh
	a) natural gas	18,841 MWh
	b) diesel	576 MWh
	c) gasoline	82 MWh

6.7.1. Basic Module

Disclosure	Data points	Value
B3 – Breakdown of energy consumption	d) heating	61 MWh
	e) liquid gas	876 MWh
	f) vehicle consumption LPG	145 MWh
	g) biomass	2,288 MWh
	h) solar-thermal heating	2,271 MWh
B3 – Estimated GHG emissions	Scope 1 GHG emissions	9,755 tCO_2e
	Location-based Scope 2 emissions	17,816 tCO_2e
	Market-based Scope 2 emissions	3,213 tCO_2e
	Total scope 1 and Scope 2 GHG emissions (location based)	27,571 tCO_2e
	Total scope 1 and Scope 2 GHG emissions (market based)	12,968 tCO_2e
B3 – GHG emissions intensity per turnover (in tCO_2e)	Scope 1 and 2 GHG emissions intensity (location based)	30.4 tCO_2e/ m EUR
	Scope 1 and 2 GHG emissions intensity (market based)	14.3 tCO_2e/ m EUR
	Total Scope 1, 2, and 3 GHG emissions intensity (location based)	491.4 tCO_2e/ m EUR
	Total Scope 1, 2, and 3 GHG emissions intensity (market based)	475.3 tCO_2e/ m EUR

6.7.1. Basic Module

Disclosure	Data points	Value
B4 – Pollution of air, water and soil	If the undertaking is already required by law or other national regulations to report to competent authorities its emissions of pollutants, or if it voluntarily reports on them according to an Environmental Management System	Yes
	Amount of [pollutant] emitted to air	13,500 kg
	Amount of [pollutant] emitted to water	0 kg
	Amount of [pollutant] emitted to soil	0 kg
B5 – Biodiversity	Disclosure is omitted as the topic was determined to be not material for Trench Group.	
B6 – Water	Disclosure is omitted as the topic was determined to be not material for Trench Group.	
B7 – Resource use, circular economy and waste management	Whether and how the undertaking applies circular economy principles	See sections: About Trench Group and Sustainability at Trench Group
	The total annual generation of waste broken down by type	6,638 t
	a) non-hazardous	6,314 t
	b) hazardous	324 t
	The total annual waste diverted to recycling or reuse	5,242 t
	a) non-hazardous	5054 t
	b) hazardous	188 t
	If the undertaking operates in a sector using significant material flows (for example manufacturing, construction, packaging or others), the annual mass-flow of relevant materials used	N/a

6.7.1. Basic Module

Disclosure	Data points	Value	Comment
B8 – Workforce – General characteristics	**Type of employee contract:**		
	a) permanent contract	2,766	Average headcount in FY25, excluding dormant contracts
	b) temporary contract	Information unavailable	
	Gender		
	a) male	2,080	
	b) female	620	
	c) other	n/a	
	d) not reported	150	In Canada, reporting gender is voluntary
	Employee turnover rate in the reporting period	3%	
	Number of employees who left during the reporting period	112	
	Number of employees at the beginning of the reporting period	2,632	
	Number of employees at the end of the reporting period	2,871	
B9 – Workforce – Health and safety	Number of recordable work-related accidents	12	
	Number of hours worked by one full-time employee in the reporting period	2,000 hours	Assumption used to calculate the rate of recordable work-related accidents, not reflective of sites specifics

6.7.1. Basic Module

Disclosure	Data points	Value	Comment
B9 – Workforce – Health and safety	Total number of hours worked in a year by all employees in the reporting period	4,821,995 hours	
	Rate of recordable work-related accidents	2.49	Using 1,000,000 hours multiplier
	Number of fatalities as a result of work-related injuries and work-related ill health	0	
B10 – Workforce – Remuneration, collective bargaining and training	Whether employees receive pay that is equal or above applicable minimum wage	100%	
	Percentage gap in pay between female and male employees	N/a	Information unavailable
	Average gross hourly pay level of male employees	N/a	Information unavailable
	Average gross hourly pay level of female employees	N/a	Information unavailable
	Percentage of employees covered by collective bargaining agreements	N/a	Information unavailable
	Number of employees covered by collective bargaining agreements	N/a	Information unavailable
	Average number of annual training hours per employee (broken down by gender)	N/a	Information unavailable
B11 – Convictions and fines for corruption and bribery	In case of convictions, number of convictions	None (not applicable)	
	Total amount of fines incurred for the violation of anti-corruption and antibribery laws	0 fines	

6.7.1.1. Subsidiaries list

Subsidiary	Address	Postal Code	City	Country
HSP Canada	81 Maybrook Drive	M1V 3Z2	Scarborough, Ontario	Canada
HSP Hochspannungsgeräte	Camp-Spich-Straße 18-20	53842	Troisdorf	Germany
HSP US	800 Westinghouse Boulevard	28273	Charlotte	United States of America
H Nu	C/- BDO Parkline Place, Level 25, 52 Pitt Street	2000	Sydney	Australia
Trench Australia	L 25 252 PITT ST	2000	Sydney	Australia
Trench Austria	Paschinger Straße 47-49	4060	Leonding	Austria
Trench Austria Holding Zwei	Paschinger Straße 47-49	4060	Leonding	Austria
Trench Brazil	Avenida Brigadeiro Luís Antônio, No. 300	01318-903	São Paulo	Brazil
Trench Bulgaria	Place VII, Quarter 23	2161	Pravets	Bulgaria
Trench France	16 Rue du Général Cassagnou	68300	Saint-Louis	France
Trench France Holdings	16 Rue du Général Cassagnou	68300	Saint-Louis	France
Trench Germany	Nürnberger Str. 199	96050	Bamberg	Germany
Trench Group Holding 1	Sachsendamm 63-64	10829	Berlin	Germany
Trench Group Holding 2	Sachsendamm 63-64	10829	Berlin	Germany
Trench Group Holdings	Sachsendamm 63-64	10829	Berlin	Germany
Trench High Voltage Products	No. 2, Zhengliang 2nd Road, Daoyi 3rd Street, Shenbei New District	110136	Shenyang	China
Trench Italy	Strada Curagnata, 37	17014	Cairo Montenotte	Italy
Trench Italia Holdings	Strada Curagnata, 37	17014	Cairo Montenotte	Italy
Trench Limited	1865 Clements Road	L1W 3R8	Pickering	Canada

6.7.1.2. Sites list

Sites	Type of Facility	Address	Postal Code	City	Country	Coordinates (geolocation)
HSP Hochspannungsgeräte Germany	Production Facility	Camp-Spich-Straße 18-20	53842	Troisdorf	Germany	50.8382856, 7.1234994
HSP US	Production Facility	800 Westinghouse Boulevard	28273	Charlotte	United States of America	35.1180383, -80.9274555
Trench Austria	Production Facility	Paschinger Straße 47-49	4060	Leonding	Austria	48.2736720, 14.2680638
Trench Bulgaria	Production Facility	Place VII, Quarter 23	2161	Pravets	Bulgaria	42.8933538, 23.9057636
Trench Canada (TCI)	Production Facility	1865 Clements Road	L1W 3R8	Pickering	Canada	43.8257547, -79.0597459
Trench Canada (TCC)	Production Facility	71 Maybrook Drive	M1V 4B6	Toronto	Canada	43.8257270, -79.2597260
Trench France	Production Facility	16 Rue du Général Cassagnou	68300	Saint-Louis	France	47.5913583, 7.5645644
Trench Germany	Production Facility	Nürnberger Str. 199	96050	Bamberg	Germany	49.8882754, 10.9152657
Trench Group GmbH	Headquarters	Sachsendamm 63-64	10829	Berlin	Germany	52.4752938, 13.3607019
Trench Group GmbH	Corporate office	Allee am Röthelheimpark 13	91052	Erlangen	Germany	49.592136, 11.028559
Trench High Voltage Shenyang (THVS)	Production Facility	No. 2, Zhengliang 2nd Road, Daoyi 3rd Street, Shenbei New District	110136	Shenyang	China	41.79222, 123.43278
Trench Italy	Production Facility	Strada Curagnata, 37	17014	Cairo Montenotte	Italy	44.3734895, 8.3043779

6.7.2. Comprehensive Module

Sites	Data points	Value	Comment
C1 – Strategy: Business Model and Sustainability – Related Initiatives	Description of significant products and/or services offered	See About Trench Group	
	Description of significant market(s) the undertaking operates in	See About Trench Group	
	Description of main business relationships	See About Trench Group	
	Brief description of those key elements that relate to or affect sustainability issues	See Sustainability at Trench Group	
C2 – Description of practices, policies and future initiatives for transitioning towards a more sustainable economy	Briefly describe specific practices, policies or future initiatives for transitioning towards a more sustainable economy reported under disclosure B2 in Basic Module	See Sustainability at Trench Group	
	Most senior level of the undertaking accountable for implementing them	See Sustainability at Trench Group	
C3 – GHG reduction targets and climate transition	Scope 3 GHG emissions	2,884,305 tCO2e	
	GHG reduction targets (for Scope 1, 2, and 3 if applicable)	N/a	Targets to be developed in the following FY
	Status of implementation of a transition plan in relation to climate change mitigation	N/a	Information unavailable
	Description of a transition plan for climate change mitigation, including an explanation of how it is contributing to reduce GHG emissions	N/a	Information unavailable
	Date of foreseen adoption of a transition plan for undertaking not having adopted transition plan	N/a	Information unavailable
C4 – Climate risks	Climate-related hazards and climate-related transition events:		
	Briefly describe such climate-related hazards and climate-related transition events	See Climate Risk Assessment Tables	
	Disclose how it has assessed the exposure and sensitivity of its assets, activities and value chain to these hazards and transition events	See Climate Risk Assessment Tables	

6.7.2. Comprehensive Module

Sites	Data points	Value
C4 – Climate risks	Time horizons of any climate-related hazards and transition events identified	See Climate Risk Assessment Tables
	Disclose whether it has undertaken climate change adaptation actions for any climate related hazards and transition events	See Climate Risk Assessment Tables
	Potential adverse effects of climate risks that may affect its financial performance or business operations broken down by time horizon (short-, medium- or long-term)	See Climate Risk Assessment Tables
C5 – Additional (general) workforce characteristics	Female-to-male ratio at management level for the reporting period (for undertakings with over 50 employees)	0.187 ratio
	Number of those self-employed without personnel who are working exclusively for the undertaking, and temporary workers provided by undertakings primarily engaged in 'employment activities (for undertakings with over 50 employees)	Information unavailable
C6 – Additional own workforce information – Human rights policies and processes	Does the undertaking have a code of conduct or human rights policy for its own workforce? (YES/NO) **if Yes, does it cover (YES/NO):**	Yes
	a) child labor	No
	b) forced labor	No
	c) human trafficking	No
	d) discrimination	Yes
	e) accident prevention	Yes
	f) other	No
	Does the undertaking have a complaints-handling mechanism for its own workforce? (YES/NO)	Yes

6.7.2. Comprehensive Module

Sites	Data points	Value
C7 – Severe negative human rights incidents	Confirmed incidents in its own workforce (YES/NO): If yes, the actions being taken to address the incidents described above	No
	Is the undertaking aware of any confirmed incidents involving workers in the value chain? If yes, specify	No
	Is the undertaking aware of any confirmed incidents involving affected communities? If yes, specify	No
	Is the undertaking aware of any confirmed incidents involving consumers and end-users? If yes, specify	No
C8* – Revenues from certain sectors and exclusion from EU reference benchmarks * relates to sensitive sectors (e.g. tobacco, coal) based on EU reference benchmarks (per ESRS guidance)	a) controversial weapons	N/a
	b) cultivation and production of tobacco	N/a
	c) fossil fuel sector	N/a
	d) chemicals production	N/a
C9 – Gender diversity ratio in the governance body	If the undertaking has a governance body in place, disclose the related gender diversity ratio	N/a

6.8 List of Abbreviations

AI - Artificial Intelligence

AML - Anti-Money Laundering

BCG - Business Conduct Guidelines

BPCC - Business Partner Code of Conduct

CAPEX - Capital Expenditure

CEO - Chief Executive Officer

CFO - Chief Financial Officer

CHRO - Chief Human Resources Officer

CO_2e - Carbon Dioxide Equivalent

CPO - Chief Procurement Officer

CSO - Chief Sales Officer

CSRD - Corporate Sustainability Reporting Directive

DEI - Diversity, Equity & Inclusion

DMA - Double Materiality Assessment

EHS - Environment, Health & Safety

eNPS - Employee Net Promoter Score

EOL - End of Life

EPD - Environmental Product Declaration

ESG - Environmental, Social, and Governance

ESRS - European Sustainability Reporting Standards

GDPR - General Data Protection Regulation

GHG - Greenhouse Gas

HRIS - Human Resources Information System

HVDC - High Voltage Direct Current

LCA - Life Cycle Assessment

LMS - Learning Management System

LTIFR - Lost Time Injury Frequency Rate

MD - Managing Director

NAVEX - Compliance Risk Platform

NZE - Net Zero Emissions

OCT - Optical Current Transformer

OEM - Original Equipment Manufacturer

OPEX - Operating Expenditure

PEPs - Politically Exposed Persons

PV - Photovoltaic

RECs - Renewable Energy Certificates

RIP - Resin Impregnated Paper

RIS - Resin Impregnated Synthetic

SDGs - Sustainable Development Goals

SF_6 - Sulfur Hexafluoride

SHE - Safety, Health, Environment

SSP - Shared Socioeconomic Pathways

SVP - Senior Vice President

TCC - Trench Canada Coils

TCFD - Task Force on Climate-related Financial Disclosures

TCI - Trench Canada Instrument Transformers

THVS - Trench High Voltage Shenyang

TIL - Trench Intelligence Lab

TRIR - Total Recordable Incident Rate

VP - Vice President

Imprint

Trench Group Sustainability Report 2025
Prepared in alignment with the VSME Standard and incorporating TCFD-aligned climate disclosures.

Publication Date
March, 2026.

Primary Authors
Michael Hartleben, General Counsel, and
Natasha Jovanova, Sustainability Officer.

External Sustainability Support
Nexio Projects – Methodological guidance, support on ESRS/VSME alignment, data consolidation, and editorial review.

Editorial & Project Support
Fabiola Munoz Ramirez, Sustainability Reporting Specialist, and
Franklin Gordon, Working Student.

Internal Contributors
Content development and data inputs were provided by teams across Trench Group, including:

- Quality & EHS,
- Operations,
- Human Resources,
- Procurement,
- Finance,
- Legal & Compliance,
- Digitalization & AI,
- Communications, and
- Managers and EHS leaders across all global Trench Group sites.

Design & Layout
Prepared by the Marketing Team, Trench Group with design support from Bodoni.

Contact
For questions regarding this Sustainability Report: sustainability@trench-group.com