

Corporate Sustainability Report 2024

Committed to Sustainable Growth

WE ARE
CARBON
NEUTRAL

20
24

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ABOUT THIS REPORT

The information presented in this report encompasses the entirety of the TERREPOWER organization. We have disclosed all material topics, where feasible, according to the Sustainability Accounting Standards Board and the Task Force on Climate Related Financial Disclosure Framework(s). Please refer to the appendix for more information.

TERREPOWER publishes a Corporate Sustainability Report annually. For further report inquiries please contact dseale@terrepower.com.

LEGAL DISCLAIMER

This report provides environmental information and projections dependent on TERREPOWER specific case studies and are not applicable to other organizations. All environmental claims are backed by independently verified data models, internal reporting, and academic case studies. Limited assumptions were applied where necessary.



MESSAGE FROM OUR CEO

Duncan Gillis

At TERREPOWER, sustainability is not just a commitment—it is the foundation of how we operate. Since our beginnings, we have led the way in sustainable manufacturing, constantly innovating to extend product life cycles, reduce waste, and create a more circular economy. Today, with over 10,000 employees and an international footprint, our impact is stronger than ever.

In 2024, we took bold steps to deepen our sustainability efforts, from launching new remanufacturing programs to leveraging advanced analytics tools for our sustainability data needs. These advancements allow us to measure our progress with greater accuracy and transparency, ensuring that we hold ourselves accountable to the highest environmental standards.

But sustainability is more than just data and technology—it's about people. Our Corporate Citizenship and Sustainability teams continue to engage employees at every level, ensuring that sustainability is embedded in our culture and operations worldwide. From community engagement to environmental education, we are equipping our teams and customers with the tools to drive meaningful change.

As we look ahead, we remain focused on innovation, transparency, and leadership in sustainable manufacturing. Thank you to our employees, customers, and partners for joining us in this journey. Together, we are proving that business success and environmental responsibility go hand in hand.



MESSAGE FROM OUR CSO

Mark Nugent

Sustainability at TERREPOWER is more than just a goal, it's who we are and what we do. Every day, we are working to minimize our environmental footprint, strengthen our circular economy practices, and set new standards for sustainable manufacturing.

This past year, we made significant strides in our sustainability journey. We expanded our remanufacturing capabilities, reducing the need for new materials and extending product life cycles. And, through our Sustainability Education Initiative, we continue to empower our employees with the knowledge and leadership needed to drive lasting impact.

Transparency and accountability remain at the core of our work. We are committed to not only tracking our progress but also sharing it with our customers, helping them measure their environmental impact when choosing sustainably manufactured products. This commitment extends beyond our business—we are dedicated to supporting the communities we serve and fostering a culture of ethical responsibility through our Global Code of Conduct.

TERREPOWER Quick Facts

Established in **1987**

Markets: Automotive and Industrial

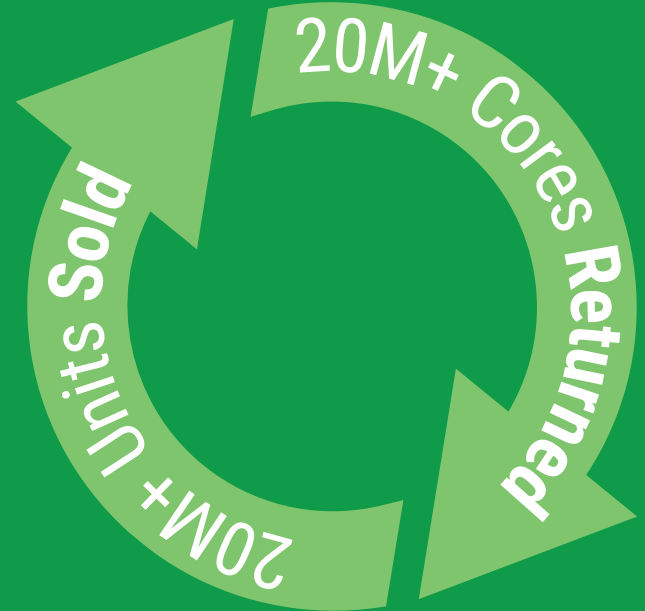
Corporate Centers: Greater Mobile, AL
and Greater Dallas, TX

International Operational Footprint:
North America, Europe and Asia

Our products are sold in over 90
countries

Employees: Over 10,000

Over 20 million units shipped in 2024



OUR GLOBAL FOOTPRINT



North America:

16 Sustainable Manufacturing Facilities

9 Distribution Centers



Europe:

3 Sustainable Manufacturing Facilities

5 Distribution Centers

ABOUT TERREPOWER

TERREPOWER is the world's largest sustainable manufacturer by units sold. We are unique in what we do—both in how we do it and the breadth of our product line—and we're driving the transition to a circular economy at scale.

We specialize in extending product life cycles, reducing waste, and delivering high-quality remanufactured solutions that meet the evolving needs of today's automotive and industrial markets. Since 2008, we've been on a significant growth journey, expanding our product offerings and an international presence through strategic acquisitions.

Our value proposition is simple: we break the traditional tradeoff between OE-quality and product cost and affordability. TERREPOWER delivers products that meet or exceed original equipment (OE) standards without the carbon footprint of manufacturing new. By restoring and remanufacturing discarded components, we give products a second life. A natural outcome of this process is that each product we produce avoids significant amounts of CO2 emissions and waste relative to manufacturing completely new components. We are very proud to say that we are carbon neutral when considering emissions generated directly or indirectly as we sustainably manufacture and sell our products.

What sets us apart isn't just scale—it's range and reliability. From advanced EV systems to complex mechanical components, we offer an unmatched breadth of sustainable, OE-grade solutions across the automotive and energy landscape. Backed by a culture of innovation, data-driven practices, and ethical operations, we're not just responding to the future—we're shaping it. Through strategic partnerships, ongoing investment in people and technology, and a deep commitment to environmental responsibility, TERREPOWER is redefining what sustainable manufacturing looks like at scale and building a more sustainable future for our industry and the communities we serve.



VISION, MISSION, VALUES

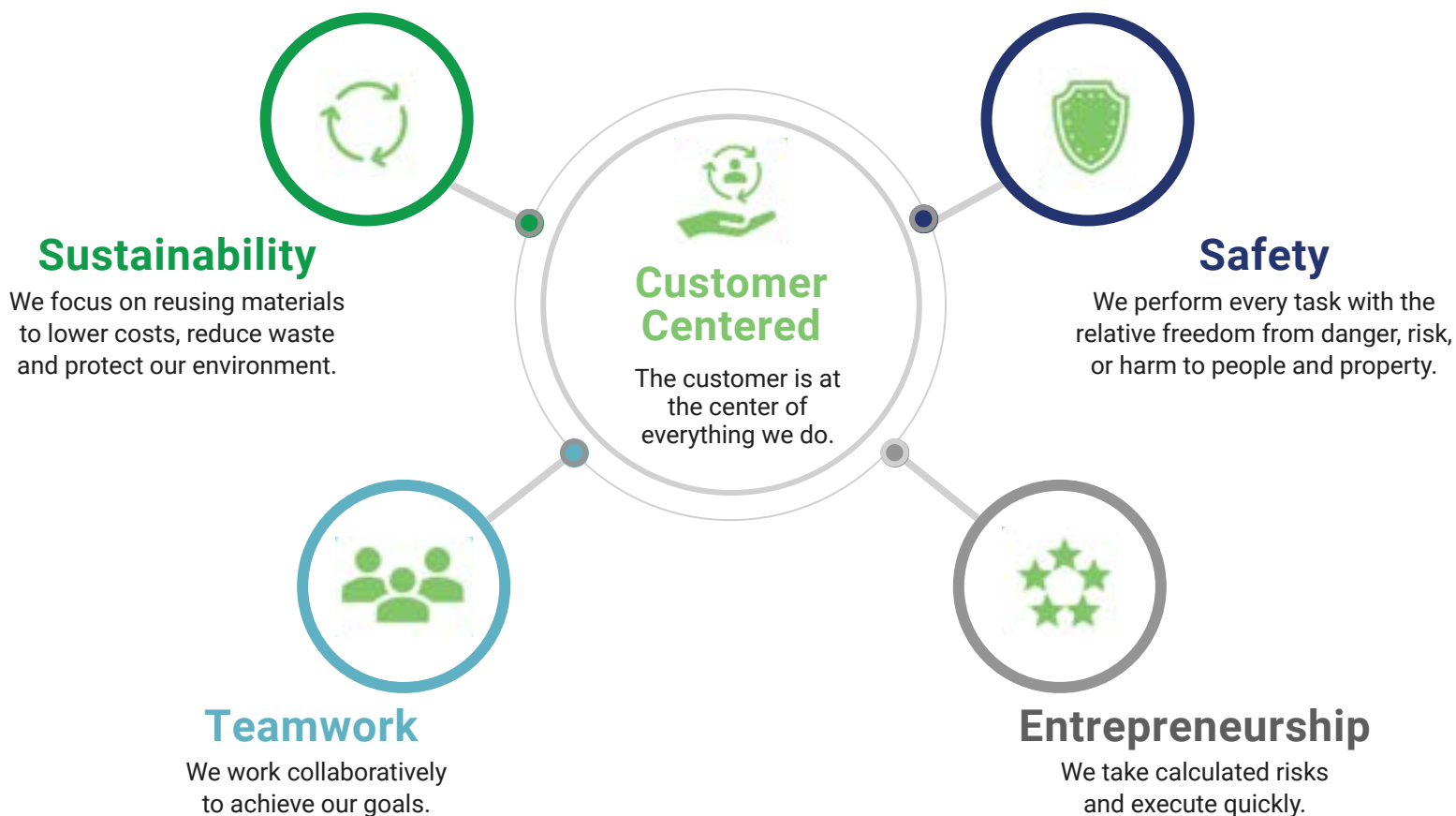
VISION

To be the recognized aftermarket leader of sustainably manufactured, innovative products and services that deliver exceptional value to our customers, employees, and shareholders while supporting the communities in which we operate.

MISSION

To spread the power of sustainable manufacturing at scale

VALUES



EXPANDING OUR IMPACT THROUGH STRATEGIC GROWTH

TERREPOWER's commitment to sustainable manufacturing continues to drive its expansion and impact on the global aftermarket. Our 2024 acquisition of All Star Auto Parts, a leading provider of remanufactured OEM and aftermarket lights and wheels for the U.S. collision repair market, strengthened our electronics offering and broadened our reach in the automotive sector.

By integrating All Star's nationwide distribution network and expertise in alternative replacement parts, we are enhancing our ability to deliver high-quality, sustainable solutions to a wider customer base. This acquisition aligns with our mission to spread the power of sustainable manufacturing at scale.



BEYOND TRADITIONAL REMANUFACTURING

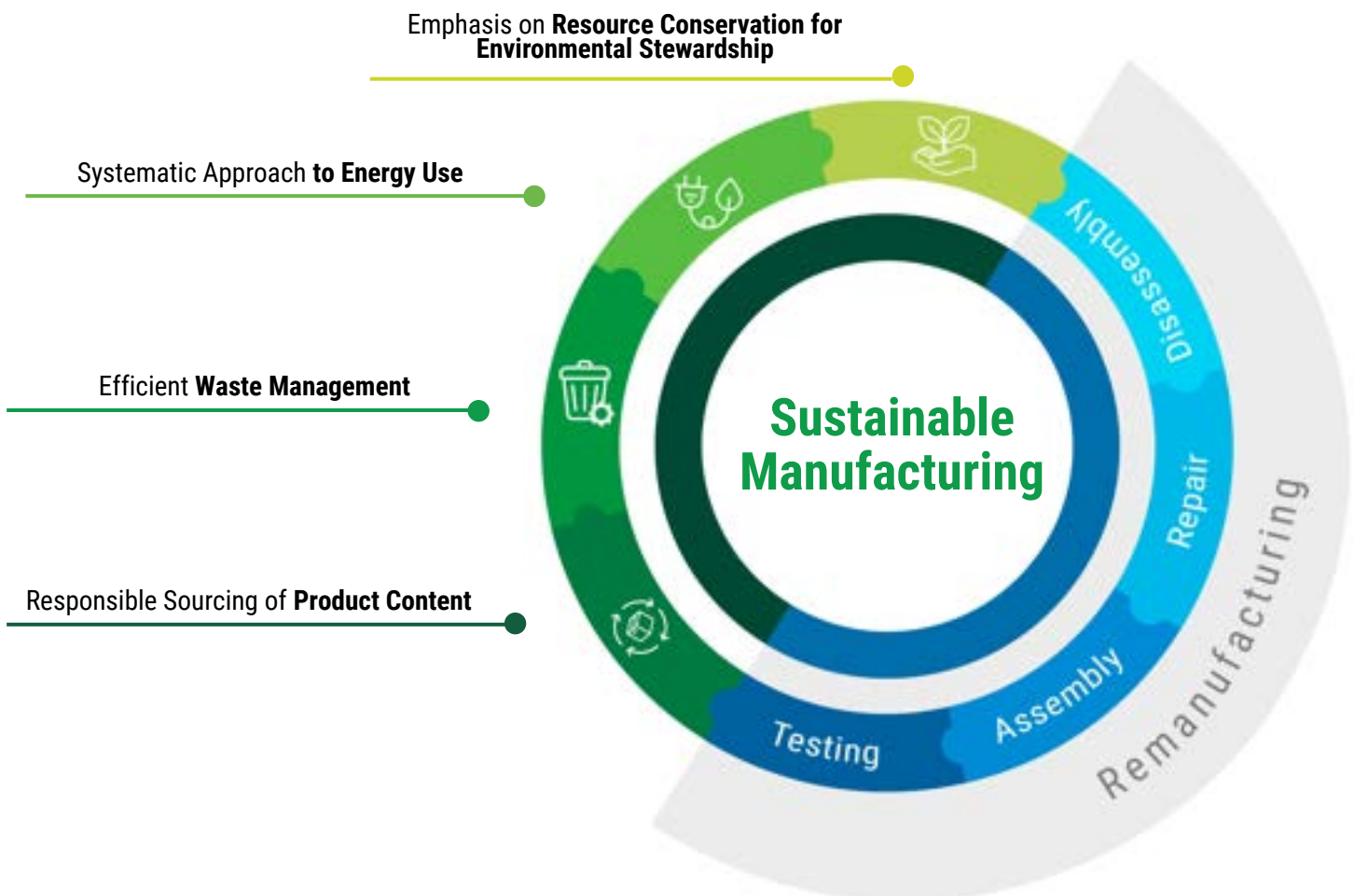
Sustainability is at the heart of everything we do. Through our sustainable manufacturing processes, we extend the life of products, reduce waste, and promote a circular economy to support a cleaner, more resilient future.

WHAT IS REMANUFACTURING?

Remanufacturing is an essential process within a product's circular lifecycle. It involves restoring end-of-life products to like-new condition, extending their usefulness, and reducing waste.

WHAT IS SUSTAINABLE MANUFACTURING?

Sustainable manufacturing takes remanufacturing to the next level. It is our approach to producing goods in an environmentally responsible manner across the entire production process.

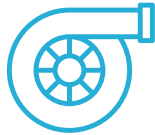


OUR ENVIRONMENTAL IMPACT IN 2024



+17M

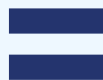
Parts Sustainably
Manufactured



Keeping vehicles on
the road longer
reducing emissions,
and conserving raw
materials

+166M

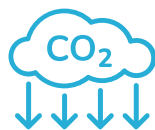
Pounds of Waste
Kept from Disposal



The weight of
2,800
full garbage trucks

+162M

Metric Tons of
Carbon Avoided



The amount of carbon
that roughly
195,000
acres of forests would
remove in a year

ADVANCING SUSTAINABILITY ANALYTICS

In 2024, TERREPOWER advanced its sustainability analytics by adopting an integrated data platform for tracking and verifying our environmental impact. This tool helps enhance our data accuracy, auditability, and transparency, reinforcing our commitment to measurable sustainability progress and industry best practices.

Now we can confidently calculate Scope 1, 2, and 3 emissions in full alignment with the GHG Protocol, ensuring our reporting meets the highest standards of accuracy and transparency. In addition to emissions, we can track water consumption, waste generation, emissions intensity and resource use at the site level. With real-time data on emissions, resource consumption, and associated spend, we can evaluate the effectiveness of our sustainability initiatives and make informed decisions to enhance efficiency and reduce our overall footprint. By integrating cutting-edge analytics, we are strengthening our role as a sustainability leader and setting a higher standard for transparent, data-driven environmental management.



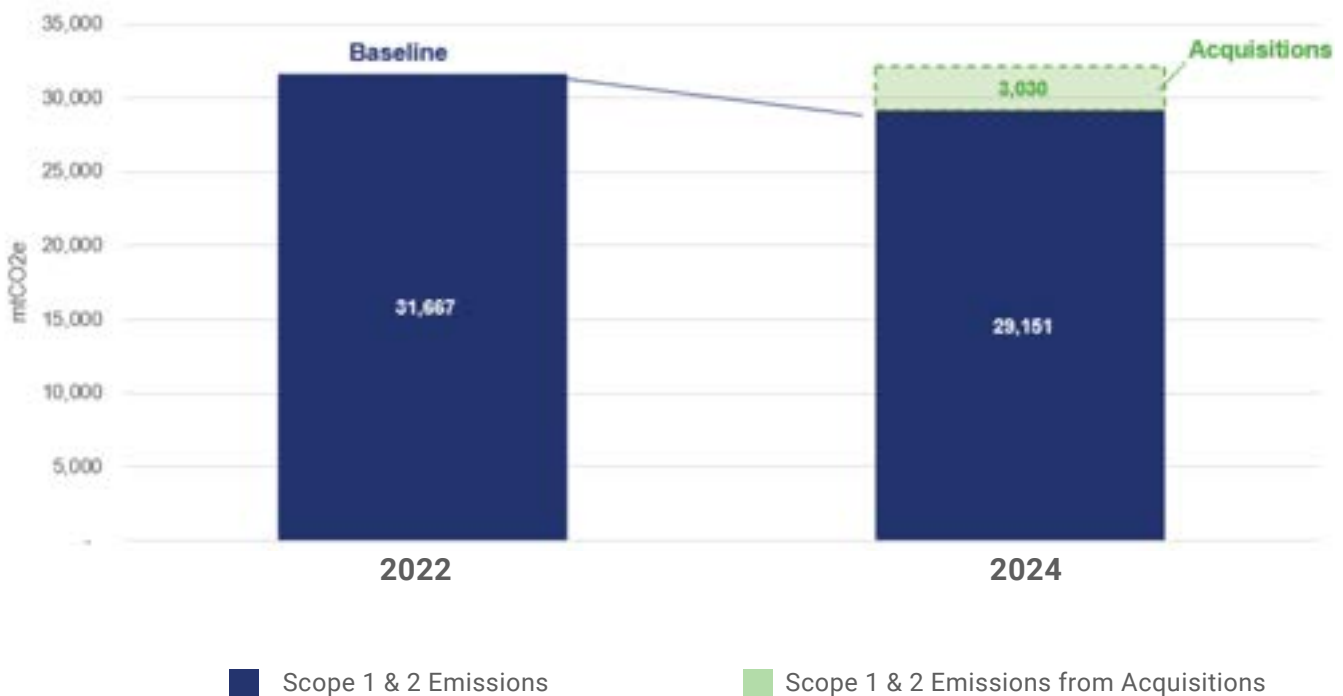
EMISSIONS REDUCTION STRATEGY

In April 2023, we committed to reducing our Scope 1 and 2 emissions by 50% by 2027 compared to our 2022 emissions baseline. Since then, we have made several strategic acquisitions to expand our operations in the US and beyond North America and have increased our range of sustainably manufactured parts. These newly acquired business units contribute to our carbon footprint, accounting for nearly 10% of total Scope 1 and 2 emissions in 2024.

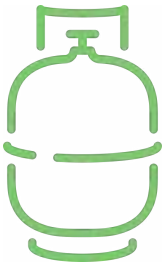
Setting an emissions reduction goal has helped us make meaningful progress in reducing our impact. In 2024, we reduced our Scope 1 emissions by more than 22% compared to the previous year, largely driven by our transition from LPG to Natural Gas. Furthermore, we have actively prioritized reducing our Scope 2 emissions by implementing renewable projects; in 2024, our new solar farm in Sparta, TN supplied nearly half of the site's electricity demand.

As we continue to grow, we remain committed to embedding sustainability into our operations, minimizing our environmental impact, and transparently reporting our progress.

SCOPE 1 & 2 EMISSIONS IMPROVEMENTS



REDUCING OUR CARBON FOOTPRINT



SCOPE 1 EMISSIONS

4,931 Metric Tons (Mt) CO₂eq

Scope 1 emissions are direct emissions from sources owned or controlled by the reporting organization (US EPA). Our Scope 1 emissions primarily come from combustible fuels, including Liquefied Petroleum Gas (LPG) and Natural Gas.

ACTION PLAN

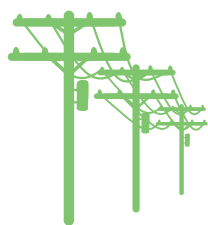
To reduce our Scope 1 emissions, we are continuously improving operational efficiency and transitioning to cleaner energy sources, such as Natural Gas.

SUCCESS STORY: Opting for Natural Gas

In November 2023, our team in Mexico began transitioning the large machinery in our Steering Facility from more carbon-intensive LPG to the cleaner Natural Gas. The combustion of Natural Gas produces considerably less emissions per unit compared to LPG, contributing to an overall decrease in Scope 1 emissions. In 2024, over 92% of energy from combustibles in the Steering Facility was derived from Natural Gas, helping us save over 492 MtCO₂eq.



REDUCING OUR CARBON FOOTPRINT



SCOPE 2 EMISSIONS

27,250 MtCO₂eq

Scope 2 emissions are associated with purchased electricity (US EPA). Our Scope 2 emissions come from grid electricity use and depend on the emissions intensity of the grid we source our energy from. While we cannot control the grid's emissions intensity, we can manage our electricity consumption at the site level and increase the share of energy we source from renewables.

ACTION PLAN

We are actively mitigating our Scope 2 emissions by implementing best-practices to increase energy efficiency and switch to renewable sources.



SUCCESS STORY: Switching to Solar

In 2024, we made significant progress in reducing our Scope 2 emissions through onsite renewable projects. At our Denmark remanufacturing facility, rooftop solar panels generated over 162,000 kWh, meeting 14.5% of the site's energy demand. In Sparta, a 500 kW solar farm made from sustainably manufactured panels produced over 700,000 kWh, supplying nearly half of the plant's electricity. To maximize coverage, Sparta also designed, built, and installed a 1 MWh Energy Storage System (ESS) that stores excess energy and discharges it when solar generation is low, ensuring a stable power supply. The ESS was built using repurposed Electric Vehicle batteries – demonstrating our value proposition at work.



SUCCESS STORY: Expanding Access to Renewable Energy

We expanded access to clean, reliable energy in 2024 beyond our operations by donating 2,330 sustainably manufactured solar panels to organizations empowering underserved communities. Through our partnership with Brighten Haiti's Solar4Schools initiative, 1,540 panels are now helping electrify schools in rural communities in Haiti. Furthermore, we provided 550 panels to Friends of Cite Soleil, delivering sustainable power to Hogar Enmanuel, an orphanage in Honduras that houses and educates 58 children. In the U.S., we supported Louisiana Future Projects with 240 panels, with an additional 787 planned to power community initiatives in New Orleans. By delivering clean energy solutions to those who need them most, we are creating a more sustainable, resilient world and paving the way for a brighter future.

REDUCING OUR CARBON FOOTPRINT



SCOPE 3 EMISSIONS

193,383 MtCO₂eq

Scope 3 emissions are “the result of activities from assets not owned or controlled by the reporting organization, but that the organization indirectly affects in its value chain” (US EPA). There are 15 categories of Scope 3 emissions defined in the GHG Protocol, resulting from activities that occur upstream or downstream along TERREPOWER’s value chain.

ACTION PLAN

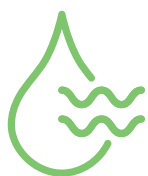
TERREPOWER is committed to addressing Scope 3 emissions by working across our entire value chain—from suppliers to customers—to reduce carbon intensity and enhance circularity by optimizing resource efficiency, improving supply chain sustainability, and expanding product reuse and recycling.

SUCCESS STORY: Repurposed Cardboard Packaging

This year, our Mexico team repurposed over 137 tons of waste cardboard for use in our value chain. This initiative helps us avoid additional emissions from new packaging materials and avoid waste generated in operations.



RESPONSIBLE WATER MANAGEMENT



83,475 m3 Water Withdrawn

74,853 m3 Water Discharged

ACTION PLAN: Training our Team on Water Consumption

Every other year our Sustainability Education Initiative trains site leaders on how to best approach water consumption and water discharge at each site. The main area of focus in these training modules is the manufacturing process where returned cores must be rigorously cleaned via high water use. Another area of focus is regulatory guidelines and site audit procedures. We understand that improving our water use efficiency significantly benefits the communities in which we work.

SUCCESS STORY: Wastewater Treatment Plant

This year, we strengthened our commitment to sustainable water management by expanding on-site wastewater treatment at our Reynosa facility. Previously, wastewater was transported over 140 miles for off-site treatment. Now, by treating all wastewater on-site, we have eliminated the need for long-distance transport, reducing emissions and improving overall efficiency. Since the wastewater treatment plant became operational in February 2024, we have processed over 6 million liters of wastewater. Our clarification system removes contaminants, ensuring water is responsibly treated before it is discharged. Moving forward, we aim to implement similar systems across our manufacturing sites.



DRIVING CIRCULARITY THROUGH INNOVATION

Circularity is more than a principle—it's embedded in how we design, produce, and operate. We've led the way in sustainable manufacturing by remanufacturing millions of automotive parts and reducing waste across industries. In 2024, we expanded our efforts to reduce reliance on virgin materials and extend the life of components through a series of high-impact, innovation-driven initiatives.

In Denmark, we launched a piston remanufacturing program that recovers over 1,000 pistons per day for reuse in brake calipers sold under our Budweg brand. This significantly reduces the need for more carbon-intensive newly manufactured parts.

Across our industrial operations, we introduced additive manufacturing technologies to restore worn metal components, keeping them in use and out of landfills. We also optimized our chemical reuse program to recover solvents and hydraulic oils, enabling a more sustainable blend of recycled and new fluids in place of virgin materials.

In the electric vehicle space, we scaled a battery remanufacturing program that keeps EVs on the road by repairing battery packs rather than replacing them entirely. For batteries that have reached the end of their automotive life, our Barcelona Technology Center gave them a second life by converting 1 MWh of capacity into stationary energy storage systems.

Through Vehicle Harvesting, TERREPOWER works directly with Original Equipment Manufacturers to inspect, recover and reuse parts in good condition from end-of-life EV and Hybrid vehicles to be repurposed and used on operating vehicles.

Together, these efforts reflect our commitment to circularity across both traditional and emerging technologies — keeping materials in use, reducing waste, and building a more sustainable future.



EMPOWERING OUR CUSTOMERS WITH SUSTAINABILITY ANALYTICS

We partner with our customers to drive sustainability by integrating remanufactured and upcycled components into their supply chains. Each year, we provide custom impact reports detailing emissions avoided, waste reduced, and materials recovered—empowering our partners to measure their contributions and strengthen their sustainability strategies. Together, we're building a more circular and resource-efficient economy.



+162,000

Metric Tons of
Carbon Emissions
Avoided

*(in comparison to
manufacturing new units)*



+17M

Pounds Aluminum
Reused



+7M

Pounds Copper
Reused



+92M

Pounds Cast Iron
Reused



+46M

Pounds Steel
Reused



+166M

Pounds of Waste Kept
from the **Waste Stream**

DOUBLE MATERIALITY ASSESSMENT

This year we conducted a Double Materiality Assessment to identify the most critical sustainability topics that impact both our business and society. Through extensive stakeholder engagement across our value chain, including consultations with employees, investors, customers, suppliers, regulators, and community representatives, we gained valuable insights into the environmental, people, and ethics issues that matter most. These insights will help us refine our strategy and priorities, ensuring that our actions align with the expectations of our stakeholders. This assessment allows us to proactively minimize risks and negative externalities while unlocking opportunities to create lasting positive value for our stakeholders. By integrating these findings into our strategy and decision-making, we ensure that sustainability remains a driving force for resilience, innovation, and long-term value creation.



EMPOWERING SUSTAINABILITY: STRENGTHENING OUR IMPACT

In 2024, we focused our investments on training employees to become sustainability leaders, equipping them with the skills to drive responsible decision-making and long-term environmental and social impact. Our refined sustainability core competency ensures that every employee understands their role in advancing sustainable practices, embedding accountability and action into our corporate culture.

Beyond our operations, we are expanding our influence through community partnerships, volunteer programs, and initiatives that create shared value. By strengthening our employees' connection to sustainability beyond their daily roles, we are forming a workforce that actively contributes to ethical sourcing, resource conservation, and corporate responsibility efforts. As we look ahead, we are committed to deepening our impact, ensuring that sustainability is not just a business objective but a mindset that guides our growth and innovation.



EMPOWERING OUR WORKFORCE: A FUTURE-READY ECOSYSTEM

Teamwork is one of our core values. In 2024, we took a significant step forward in our transformation by launching a new integrated human capital management system in the U.S. and Canada, bringing compensation, benefits, talent acquisition, and performance management onto a single platform, “tHRive”. This system is designed to streamline processes, enhance employee access to critical resources, and create a seamless experience from recruitment to career development. By leveraging technology to simplify complex systems, we are creating an agile and responsive HR ecosystem that adapts to the evolving needs of our workforce.

While this rollout represents a major milestone, we are continuing on a journey toward a globally unified HR infrastructure, ensuring that every employee is provided with the opportunity to thrive. This transformation is not just about efficiency; it is about empowering our people with data-driven insights, fostering connectivity across our workforce, and reinforcing a culture where employees feel valued, supported, and equipped for success.



ADVANCING DIVERSITY & INCLUSION BUILDING FOR THE FUTURE

Diverse, inclusive, and empowered teams are the foundation of great teamwork—and great outcomes. In 2024, we deepened our commitment to these values by building the tools and infrastructure needed to drive lasting impact. By strengthening our data capabilities, we're gaining a clearer understanding of workforce demographics, retention patterns, and representation—ensuring our strategies and practices are informed by meaningful insights and reflect our commitment to creating a welcoming and inclusive workplace. In the U.S., we employ over 1,400 people, with over 50% identifying as women or as members of racial or ethnic minority groups. These figures reflect both who we are today and our ongoing efforts to ensure our teams reflect the diversity of the communities we serve.

Talent acquisition remains a critical focus as we refine hiring processes to attract and retain the best talent. Structured interview guides and targeted outreach are being implemented to ensure fairness, reduce bias, and create opportunities for individuals of all backgrounds. Additionally, we are investing in our managers to build the skills to foster inclusive environments—we want every employee to have the opportunity to contribute meaningfully and grow within the organization. By embedding diversity and inclusion into our business strategy, we are positioning TERREPOWER for a stronger, more dynamic future.



ELEVATING TRAINING & LEADERSHIP DEVELOPMENT



Continuous learning is the foundation of our success, and in 2024, we expanded our training programs to build stronger leadership, ethical decision-making, and high-performance teams. Our Code of Conduct training courses now run quarterly, ensuring employees are consistently engaged in discussions on integrity, compliance, and responsible business practices. By reinforcing ethical standards on an ongoing basis, we are fostering a culture where accountability and principled leadership are at the core of every decision.

Leadership development remains a top priority, with new programs on the horizon designed to accelerate the growth of high-potential employees identified through our talent review process. We equip leaders with the skills to navigate change, drive performance, and foster inclusive, high-impact teams. Additionally, we are enhancing our performance management framework by integrating structured training and leadership discussions, ensuring that managers have the tools to provide meaningful feedback and support employee development. By investing in comprehensive training, we are cultivating a workforce that is not only skilled but also prepared to lead with confidence in an ever-evolving business landscape.

COMMUNITY ENGAGEMENT

TERREPOWER's Corporate Citizenship Team was established in 2018. Today, 35 stewards across 25 sites continue to make the Corporate Citizenship mission possible.

Our purpose is to positively engage with and support our communities, both the TERREPOWER community and the world around it. Through meaningful engagement and dedicated support, we empower our community members to grow and succeed. We continuously encourage our locations to expand their outreach, further advancing our shared mission.

REMAN & EARTH DAY

This year, TERREPOWER was proud to join industry colleagues and partners to celebrate sustainability and remanufacturing! Every site was involved in recognizing and celebrating that we are sustainable manufacturers. In addition, each site had teams of volunteers pick up trash and plant trees on Earth Day.



INDUSTRY ENGAGEMENT



Young Automotive Networking Group (YANG)

TERREPOWER proudly participated in the YANG Leadership Conference, a gathering focused on empowering young professionals in the automotive industry through mentorship, leadership training, and peer connection. Five emerging leaders from across our organization attended, reflecting our strong commitment to professional growth and industry engagement. Among them were two team members who took the stage as part of the “YANG 5 for 5” series, sharing personal and professional insights with fellow attendees. Another participant was recognized with a prestigious Next Stepper Scholarship, underscoring their potential and commitment to leadership growth. One of our colleagues also played a central role in shaping the conference’s direction as part of YANG’s leadership team, spearheading initiatives aimed at mentorship, engagement, and broader industry impact.



Women in AutoCare

TERREPOWER joined more than 250 professionals at the Women in Auto Care conference in Salt Lake City—an event dedicated to celebrating and advancing female leadership in the automotive industry. Aligned with our values, the conference offered space for meaningful dialogue, collaboration, and professional growth. Female leaders from TERREPOWER contributed to these efforts through active involvement in the Council for Membership Engagement and leadership of the Generation Gap initiative, helping to strengthen industry connections and support inclusive leadership.

CONTINUING PARTNERSHIPS

Our Corporate Citizenship Team consistently partners with the same organizations each year to strengthen relationships and maximize our impact.



Prodissee Pantry (*Daphne, AL*)

Prodissee Pantry is a nonprofit community organization providing emergency food and disaster relief. TERREPOWER frequently partners with Prodissee Pantry by volunteering, providing monetary donations, organizing food drives, and participating in the annual Turkey Trot.

LifeSouth (*Daphne, AL*)

LifeSouth's mission is to provide a safe blood supply that meets or exceeds the needs of each community it serves, along with additional transfusion-related services. With quarterly blood drives at our corporate office, TERREPOWER helps save over 150 lives annually.



Casa Hogar M.A.Mi (*Reynosa, MX*)

Casa Hogar M.A.Mi provides shelter, food, education, medical care, and psychological support to 63 children (ages 3-12). TERREPOWER partners with them annually to host a children's Christmas party.

Casa Amparo (*Reynosa, MX*)

The Casa Amparo project provides young women with essential life skills for a successful and independent future. TERREPOWER supports them by donating supplies for daily needs and returning annually for a Christmas celebration.



Smyrna Adopt-a-Mile (*Smyrna, TN*)

Through quarterly cleanups, TERREPOWER volunteers help reduce litter and keep Smyrna's roadways clean. This initiative raises awareness about environmental stewardship and enhances the local community.



Cassville Elementary School (*Sparta, TN*)

TERREPOWER has proudly adopted Cassville Elementary in Sparta, TN, supporting students with school supplies, food, and festive celebrations, including a Christmas party with Santa. Through our "Operation Smile" initiative, our Sparta Team provided toothpaste and toothbrushes for all students, thanks to generous donations from Arm & Hammer. Additionally, we bring joy year-round with events like ice cream parties.

Sparta Volunteer Fire Department (*Sparta, TN*)

TERREPOWER is committed to supporting local first responders, including the Sparta Volunteer Fire Department, located just a mile from our plant. Our contributions help ensure they have the necessary resources to serve and protect the community effectively.



Keep Odessa Beautiful (*Odessa, TX*)

The mission of Keep Odessa Beautiful is to empower residents to recycle, prevent litter, and beautify their community. Our team in Texas participates in their local cleanup events.

Irving Cares (*Irving, TX*)

Irving Cares provides focused assistance to local residents facing financial crises. Their food pantry supplies nutritious groceries, offering three meals per day for a week to each household member. TERREPOWER hosts an annual food drive to support this initiative.



Folds of Honor

This year, we proudly donated to Folds of Honor in recognition of Memorial Day. This organization provides life-changing scholarships to the spouses and children of America's fallen or disabled military personnel. Their mission now extends to the families of first responders.



Brighten Haiti (Haiti)

TERREPOWER supports Brighten Haiti's mission to bring sustainable energy to underserved communities. By donating more than 1,500 sustainably manufactured solar modules, we are helping power schools and train local workers in solar installation techniques.

Yazoo Police Department (Yazoo City, MS)

TERREPOWER donated a thermal imaging drone to the Yazoo City Police Department to enhance search-and-rescue operations, locate missing persons, and improve public safety.



San Salvador De Polinyá (Barcelona, Spain)

San Salvador is a historic church in Polinyá, Spain, serving the local community since the 11th century. In 2023, our Spain team collected goods and delivered a solidarity trunk to support the parish's outreach efforts.

Mission First, People Always: Disaster Relief Efforts

- **Sparta, TN** – Our team mobilized quickly to support victims of Hurricane Helene, collecting food and funds while working alongside community members to provide essential relief.
- **Poland** – When severe flooding devastated the country, our team partnered with a client to organize and deliver a major aid shipment to affected communities.



BOARD OF DIRECTORS

TERREPOWER's board of directors is comprised of 6 individuals with over 100 years of management experience. This management experience is coupled with over 35 years of investment experience. These individuals have served or are currently serving in management, investment banking, private equity, consulting, operations, the military, and other areas of business execution.

Board members also serve on standing committees, including the Audit Committee and Compensation Committee, each with clearly defined responsibilities and independent decision-making authority. These committees support strong governance by focusing on key areas such as financial reporting and executive compensation.



EXECUTIVE OVERSIGHT

To support the Board in its oversight role with respect to corporate governance and risk management, TERREPOWER has established internal councils to facilitate effective decision-making, enhance transparency, and ensure accountability throughout the organization.

By leveraging the collective expertise and diverse perspectives of Council members, TERREPOWER is able to identify potential risks, assess their impact on the organization, develop mitigation strategies, and ensure compliance. This proactive approach helps minimize potential disruptions to our operations and safeguard the interests of our stakeholders.

Through regular meetings and reporting mechanisms, the internal Councils provide a forum for dialogue, knowledge-sharing, and continuous improvement. They also contribute to the ongoing refinement of our corporate governance framework and risk management practices.

President's Council

The President's Council is TERREPOWER's senior internal governance forum, composed of three specialized councils responsible for strategic decision-making within defined areas of authority:

Executive Business Council

Members: Chief Executive Officer (Chair), Chief Financial Officer, Chief Operating Officer

Focus: Investment decisions within the Delegation of Authority and the development of recommendations for Board consideration.

Risk Management Council

Members: Chief Legal Officer (Chair), Chief Executive Officer, Chief Financial Officer, Chief Information Officer, Chief People Officer

Focus: Identifying, assessing, and addressing enterprise-level risks through a structured Enterprise Risk Management (ERM) framework.

People Council

Members: Chief Executive Officer, Chief People Officer

Focus: Oversees senior hires, incentives, promotions, job architecture, labor costs, union negotiations, and ensures alignment of people decisions with leadership development and compensation strategy.

CODE OF CONDUCT & ETHICS

Our Global Code of Conduct (the “Code”) guides us as we spread the power of sustainable manufacturing around the world.

We conduct business in accordance with all applicable laws and apply the highest ethical standards in our work. The Code embodies our values and helps us maintain a work environment of respect, honesty, and unquestioned integrity.

By living our values, we foster strong relationships with customers, suppliers, communities, governmental authorities and each other. The continued commitment to our values and the Code helps us achieve the right results for the company and ourselves.

Our Code applies at all times to every TERREPOWER employee and associate worldwide. We expect that anyone acting on our behalf – including contractors, consultants and other third parties – will observe the same high standards of business conduct.

Our Code is enforced regardless of an employee’s rank or position in the company.

TERREPOWER’S ETHICS HELPLINE

If someone witnesses or becomes aware of someone not abiding by the Code, we encourage them to **SPEAK UP** and report their concern to **TERREPOWER’s Ethics helpline**:

Phone

USA 833 280 1933

Belgium 0800 13 610

Canada 8332801935

Denmark 80 83 07 09

Germany 800 1820054

Italy 800 819 785

Mexico 8008323632

Poland 800 005 412

Spain 900 751 972

Email

ethics@terrepower.com

Website

terrepower.com/codeofconduct

DATA SECURITY

Our Promise of Integrity & Transparency

We are dedicated to securing our environment for the safety and protection of, our own, our customers' and our suppliers' data information. Providing excellent customer service and security allows our customers and suppliers to transact business safely, relying on our professional internal teams and individuals within our company. Data Security is our highest concern, and we are continually responding to the ever-changing cyber risk landscape. We have a dedicated team of IT Security professionals committed to monitoring, maintaining, and securing our systems and data.

Our data security standards and our cybersecurity program provide a framework for responsible collection, storage, transfer, use and destruction of data. Leveraging that framework and standard, we are focused on cybersecurity threats throughout the entire company, including the protection of information technology and intellectual property, manufacturing safety and operations, supply chain, third-party security, mergers and acquisition risk and the security of all new business models.



Governance, Risk and Compliance

- The National Institute of Standards and Technology (NIST) Cybersecurity Framework serves as the foundation of our security program.
- Third parties conduct external and internal assessments, including penetration testing (PEN), to continually improve security controls.
- We regularly update our privacy and Global Corporate Security Policy to remain current with industry leading practices.

Information Security Program

Implementation of best practices

Established numerous programs and controls to reduce cybersecurity risk.

Security governance to manage and perpetuate security processes.

Committed security operations team which monitors, analyzes, and responds to all security threats.

Enterprise level email security.

Configuration management to secure systems.

Network and Web application security through strict firewall configurations.

Segmentation of critical systems and data.

Intrusion detection, and prevention of critical data systems.

OVERSIGHT RELATED POLICIES & DOCUMENTS

- **Conflict of Interest Policy**
- **Corporate Security Policy**
- **Anti-Bribery Policy**
- **Antitrust Policy**
- **Anti-Money Laundering**
- **International Trade**
- **Records Management**
- **Acceptable Use of Electronic Systems**

RESPONSIBLE PROCUREMENT

TERREPOWER operates in a circular economy and sources most of its finished product material from post-consumer content. We work closely with our customers. This relationship ensures that users of TERREPOWER's sustainably manufactured products understand where and how they can return those products once they are worn or underperforming. The collection of these "cores" is a team effort. With the help of our suppliers, we can ensure that our products are reutilized for a second or third life.



INTEGRITY & HUMAN RIGHTS IN OUR SUPPLY CHAIN

Our Procurement team continues to increase the number of Human Rights Metrics represented in our supplier audits. During the audit of a facility, a standard Human Rights audit form is completed by the supplier. During 2024, TERREPOWER conducted over 48 on-site supplier audits to ensure improvement plans are in place. We expect this focus to grow as Human Rights communications and supply chain visibility continues to grow.



SETTING THE STANDARD FOR SUSTAINABLE MANUFACTURING



2024 was a year of meaningful action and measurable impact at TERREPOWER. We continued on our journey of sustainable growth through strategic acquisition, expanded our circular manufacturing capabilities, improved emissions tracking and reduction, and deepened our commitment to responsible resource management. Our data-driven approach, combined with strong community partnerships and employee engagement, helped us advance our commitment to building a more sustainable and resilient business.

Among this year's key achievements: we reduced Scope 1 emissions by over 22%, brought a new solar farm online in Tennessee, and treated more than 6 million liters of wastewater on-site in Mexico—cutting emissions while improving efficiency. Through innovation-driven initiatives like EV battery remanufacturing, additive manufacturing for industrial parts, and expanded materials recovery, we continued to scale solutions that reduce waste and extend product lifecycles. Our workforce continues to be the foundation of this progress—bringing innovation, integrity, and purpose to everything we do. From advancing diversity and leadership development to expanding global initiatives in clean energy and education, we've strengthened the connection between our values and our everyday operations.

As we look ahead, we remain focused on continuous improvement and bold leadership. Guided by our values—sustainability, safety, teamwork, entrepreneurship, and a customer-centered mindset—we are building a future where sustainability is a shared achievement, and where business success contributes meaningfully to climate action and supports more resilient communities. As the world's largest sustainable manufacturer by units sold, we are proud to lead the transition to a circular economy at scale, setting new standards for what responsible manufacturing can achieve.

Framework Alignment and Reference Tables

Environmental Metrics

ENERGY USE	2021	2022	2023	2024
Total Energy Consumed (GJ)	364,967	364,648	365,107	318,349
Grid Electricity (MWh)	60,601	56,268	60,090	61,904
Liquefied Petroleum (Liters)	3,408,574	3,136,944	3,270,483	1,618,944
Natural Gas (Therms)	201,992	458,523	335,212	445,633
Renewable Energy (MWh)	---	672	502	662

WASTE	2021	2022	2023	2024
Total Waste (Metric Tons)	30,881	39,968	24,188	25,727
Recycled Waste (Metric Tons)	n/a	56,268	17,123	16,672
Hazardous Waste (Metric Tons)	12,043	4,416	3,714	5,545
Hazardous Waste Percentage	n/a	11%	15.1%	21.6%

WASTE USE	2021	2022	2023	2024
Water Withdrawal (Cubic Meters)	n/a	124,068	117,843	83,475
Water Discharge (Cubic Meters)	n/a	100,243	102,920	74,853

GHS EMISSIONS	2021	2022	2023	2024
Scope 1 Emissions*	6,468	6,139	6,364	4,931
Scope 2 Emissions*	30,276	25,528	27,696	27,250
Scope 3 Emissions	133,500	179,000	187,000	193,383
Total Footprint	170,244	210,667	221,060	225,564

* Scope 1 & 2 emissions for 2021–2023 have been updated from previous reports to reflect more complete data from our integrated sustainability platform.

SASB - IFRS: Sustainability Accounting Standards Board

The Sustainability Accounting Standards Board guides the disclosure of financially material sustainability information by companies to their investors.

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT MEASURE	CODE	PAGE
Energy Management	(1) Total energy consumed: 318,349 GJ, (2) percentage grid electricity: 70% (3) percentage renewable: 1%	Quantitative	Gigajoules (GJ), Percentage (%)	TR-AP-130a.1	N/A
Waste Management	(1) Total amount of waste from manufacturing, (2) percentage hazardous, (3) percentage recycled	Quantitative	Metric tons (t), Percentage (%)	TR-AP-150a.1	15
Product Safety	Number of recalls issued; total units recalled	Quantitative: 0	Percentage (%)	TR-AP-250a.1	N/A
Design for Fuel Efficiency	Revenue from products designed to increase fuel efficiency and /or reduce emissions: TERREPOWER does not design products.	Quantitative: 0	Reporting Currency	TR-AP-410a.1	N/A
Materials Sourcing	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	TR-AP-440a.1	15
Materials Efficiency	Percentage of products sold that are recyclable: 100%	Quantitative	Percentage (%)	TR-AP-440b.1	N/A
	Percentage of input materials from recycled or remanufactured content: 70% - 90%	Quantitative	Percentage (%)	TR-AP-440b.2	N/A
Competitive Behavior	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative: 0	Reporting currency	TR-AP-520a.1	N/A

ACTIVITY METRIC	CATEGORY	UNIT OF MEASURE	CODE	PAGE
Number of Parts Produced	Quantitative	Number	TR-AP-000.A	4
Weight of Parts Produced	Quantitative	Metric tons (t) [92,595 t]	TR-AP-000.B	N/A
Area of Manufacturing Plants	Quantitative	Square meters (m2) [250,838 m2]	TR-AP-000.C	N/A

TCFD: Task Force for Climate-Related Financial Disclosures

Governance

DISCLOSURE	DESCRIPTION	REFERENCES AND RESPONSES
Board Oversight	Describe the board's oversight of climate-related risks and opportunities	Board oversight consists of the Board Chair, Chief Executive Officer, and Chief Operating Officer responsible for generalizing climate-related issues, communicating the environmental impacts of sustainably manufactured automotive components externally, and supporting sustainability projects across the organization. Climate-related issues are a scheduled agenda item at most board meetings where major expenditures to address climate-related impacts and company transition plans are discussed.
Management Role	Describe the management's role in assessing and managing climate-related risks and opportunities:	Management drives the creation and implementation of organizations' climate commitment and is incentivized on performance-based attainment of climate-related targets.

Strategy

DISCLOSURE	DESCRIPTION	REFERENCES AND RESPONSES
Climate-Related Risk	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Climate-related risks and opportunities investigated cover the Direct operations, Upstream, and Downstream value chain stages. The frequency at which risks are assessed is more than once a year. Short-term (0 to 3 years): Type of Energy Use Medium Term (3 to 5 years): Quantity of Electricity Use Long-Term (5 to 12 Years): Quantity and Type of Supplemental Components
Management Role	Describe the management's role in assessing and managing climate-related risks and opportunities:	Climate-related risks and opportunities directly inform the organization's strategy. A climate transition plan that aligns with a 1.5-degree C world is approved by the Board of Directors annually. Strategy is influenced by the following categories: Products and Services, Supply Chain, Investment in R&D, and Operations.
Organization Strategy	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2-degree Celsius or lower scenario.	The organization's strategy directly aligns with a 1.5-degree Celsius world and does not foresee short-term, medium-term, or long-term risks impacting that strategy.

APPENDIX

TCFD: Task Force for Climate-Related Financial Disclosures

Risk Management

DISCLOSURE	DESCRIPTION	REFERENCES AND RESPONSES
Identification Process	Describe the organization's process for identifying and assessing climate-related risks	Assessing and responding to climate-related risks and opportunities is owned by the sustainability team. This team assesses the specific climate impacts the company has made in the past, what the current impacts are (displayed in this report), and what impacts are projected over each time horizon.
Managing Risks	Describe the organization's processes for managing climate-related risks	Findings are presented to the executive staff which determines the approach of each individual and which presents the greatest impact to the business.
Integration	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management by annual stakeholder reviews of Corporate Sustainability Reports. Commentary on annual reports from stakeholders internal and external of the organization. Further Boar members provide direct feedback annually.

Metrics & Targets

DISCLOSURE	DESCRIPTION	REFERENCES AND RESPONSES
Scope 1, 2, 3	Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse (GHG) emissions, and the related risks	Our Scope 1 footprint is the direct emissions that result from activities within our organization's control. Some of our Scope 1 source include liquefied petroleum to power our forklifts, natural gas to power our heavy machinery, and other sources. We know it is important to focus on what we can control within the walls of our facilities. This requires monthly audit(s), on-site case studies, and corporate research. Our Scope 2 footprint consists of the indirect emissions that result from purchased electricity or heat from external sources. We are proud to rely on significantly less electricity than new production, due to our focus on the circular economy. This helps us create jobs for our communities across the globe. The electricity we use is brought to us by our local grid sources.
Emissions Targets	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	The organization has specified carbon emissions targets for completion in the 2027 year. These targets are under review based on our recent growth but they continue to guide our efforts to reduce our emissions.
Scope 1, 2, 3	Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse (GHG) emissions, and the related risks	Our Scope 1 footprint is the direct emissions that result from activities within our organization's control. Some of our Scope 1 source include liquefied petroleum to power our forklifts, natural gas to power our heavy machinery, and other sources. We know it is important to focus on what we can control within the walls of our facilities. This requires monthly audit(s), on-site case studies, and corporate research. Our Scope 2 footprint consists of the indirect emissions that result from purchased electricity or heat from external sources. We are proud to rely on significantly less electricity than new production, due to our focus on the circular economy. This helps us create jobs for our communities across the globe. The electricity we use is brought to us by our local grid sources.