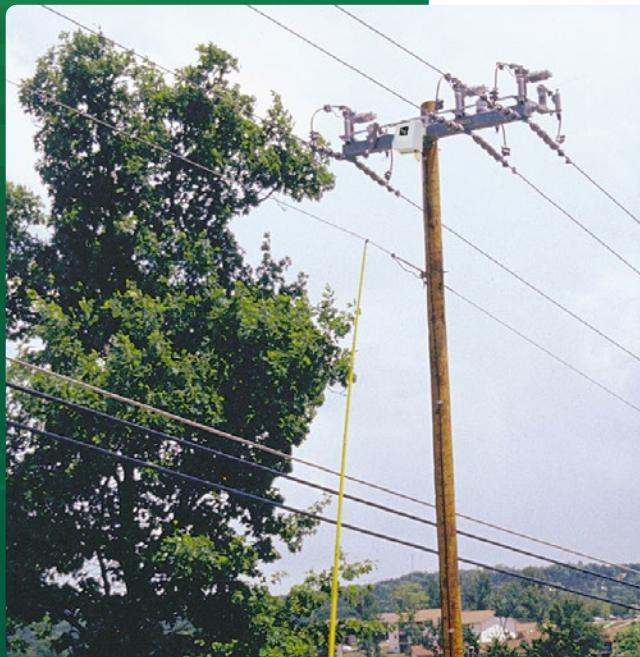
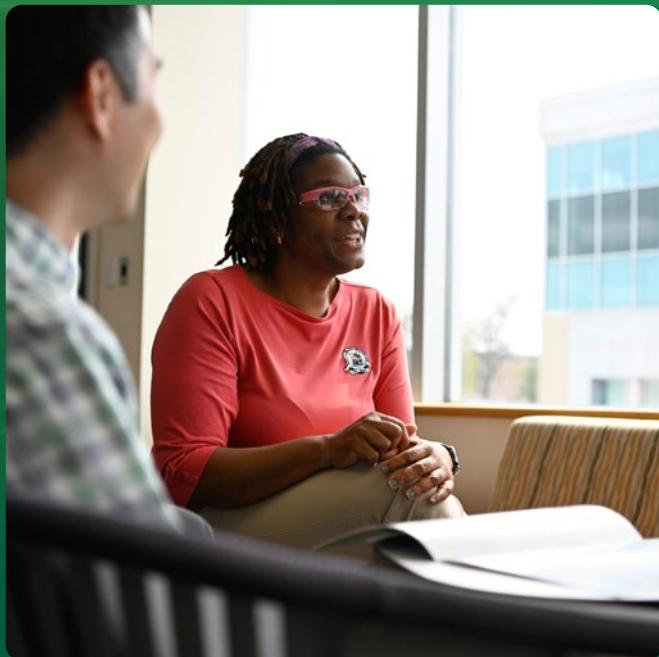


# PEOPLE POWER OUR PURPOSE

2022 SUSTAINABILITY REPORT



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# INTRODUCTION

## About This Report

Over S&C's long history, we have built a strong culture around our [values and guiding principles](#) of Personal Integrity, Respect for People, Commitment to Excellence, and Responsible Stewardship. These values reflect our ambition to transform the grid for a more sustainable energy future while caring for our team members, our communities, and our customers. S&C continues to advance our strategy, reporting, and disclosure around our sustainability efforts, including the environmental, social, and governance issues that matter most to our stakeholders. This Sustainability Report, reflective of the calendar year 2022, details these ongoing efforts with reference to the Global Reporting Initiative (GRI) Standards.

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## CEO Message

For more than a century, S&C's values and guiding principles moved the company forward. Today, those same values motivate us to help solve some of the biggest issues facing our planet today—from climate-change-driven extreme weather and its impact on the grid to balancing the global transition to clean energy with our growing dependence on electricity.

None of this is possible without our team members. Their dedication to innovating and creating new technologies that deliver on our sustainability commitments to our customers, partners, and communities is why we are here today. They are the heart of everything we do.

That means it all starts with safety.

To build a sustainable future, we must first ensure team member safety and build on our already strong safety culture. With a vision that all injuries are preventable, we continue to evolve our safety programs and focus on leading indicators that promote leadership and team member engagement.

With safety at our core, we work to transform the grid into one that is more intelligent, reliable, and resilient. We do this work in alignment with our values and guiding principles. Our sustainability strategy and this report reflect these commitments in action.

In addition to feeling safe, we want our team members to feel heard and respected. To that end, we conduct a yearly, anonymous team member survey, resulting in multiple 2022 Top Workplace recognitions, including for the manufacturing sector.

We also do a yearly engagement survey, and we apply feedback from this survey to our business as part of our continuous improvement mindset. Moreover, we continue to improve and expand our diversity, equity, and inclusion programs to build deeper team member connections and an enhanced sense of community and belonging.

In 2022, we accelerated our global approach to measuring and driving ownership of our key sustainability performance indicators. For example, we took important steps forward in our zero-waste-to-landfill program. Next, we launched an ambitious effort to formalize our decarbonization goal, starting with the required planning and investment needed for its success. These actions are critical as we continue to develop a holistic sustainability strategy and ensure its integration throughout our business. In addition, we created a new full-time position dedicated to environmental sustainability.

**“In 2022, we accelerated our global approach to measuring and driving ownership of our key sustainability performance indicators.”**





We continue to invest in our operations and advanced manufacturing to meet increased product demand while keeping sustainability front of mind. In July, we opened a LEED-certified, 55,000-square-foot expansion of our manufacturing facility in Franklin, Wisconsin (pictured). Here, we produce and assemble key products, including the IntelliRupter® PulseCloser® Fault Interrupter, Scada-Mate® Switching Systems, and automation controls, all of which benefit electric utilities worldwide.

Throughout our 112-year history, our customer focus and close relationships set us apart in the industry. Our 2022 launch of the VacuFuse® II Self-Resetting Interrupter is an example of how we collaborated with customers to solve industry challenges. Together, we created an innovative, easy-to-use solution that tackles outages at the edge of the grid. Moreover, with automation at the grid edge, we reduce the need for utility trucks to be called out to address outages. This can help increase crew safety and potentially decrease utility CO<sub>2</sub> emissions.

Our values and guiding principles demand that we address climate change and work diligently to mitigate the impact of greenhouse gases. I am proud of our initiatives to manage sulfur hexafluoride (SF<sub>6</sub>) gas

emissions, which have a high global warming potential. Our efforts include decommissioning end-of-life product units for our customers and reclaiming the SF<sub>6</sub> gas from this equipment to be recycled. We also continue reclaiming and recycling SF<sub>6</sub> in our operations while maintaining our ambition to transition our operations from virgin to recycled SF<sub>6</sub> to increase circularity and prevent the depletion of natural resources.

On behalf of all our S&C team members, thank you for being part of our journey. With your help, S&C will continue to care for our planet, team members, customers, and communities.

A handwritten signature in black ink, appearing to read "Anders Sjöelin".

**Anders Sjöelin**

President and Chief Executive Officer  
S&C Electric Company

**"Throughout our 112-year history, our customer focus and close relationships set us apart in the industry."**



## About S&C Electric Company

In 1909, S&C transformed the delivery of safe, reliable electricity with the invention of the Liquid Power Fuse. Today, as the world faces extreme weather events and the demand for electricity grows, S&C continues to innovate and modernize the electrical grid, ensuring reliable and resilient power for homes, communities, and critical infrastructure around the world.

S&C is an employee-owned company that operates with a people-first mentality. We cultivate an inclusive workplace with abundant career growth opportunities to support our team members as we transform the grid together. With a diverse, global workforce focused on safety, integrity, and quality, S&C is a trusted industry leader for utility and industrial customers, developing innovations that advance a smart, sustainable, and resilient modern grid.

With more than 300 active patents, we leverage more than a century of industry expertise to serve the evolving needs of our global customer base through technologies and solutions that help solve their problems in a safe, cost-effective, and reliable manner.

### S&C AT A GLANCE

#### Global Reach and Longevity



Founded  
in 1911



Headquartered  
in Chicago



Operations in the U.S.,  
Australia, Brazil, Canada,  
China, Mexico, and the UK

#### Impacting Lives



Globally employs  
3,500+ team  
members



Serves thousands of utility and  
commercial and industrial customers  
across the globe

# Our Mission, Vision, Values, and Guiding Principles

Our people power our purpose by delivering on our mission and embodying our values and guiding principles every day.

## Our Mission

Be the leading specialist in electric power switching, protection, and control by creating innovative solutions that are easily applied and provide the best long-term value.

## Our Vision

Empower people to transform the grid.

## Values and Guiding Principles

### Personal Integrity

- All our dealings are bound by rock-solid integrity.

### Respect for People

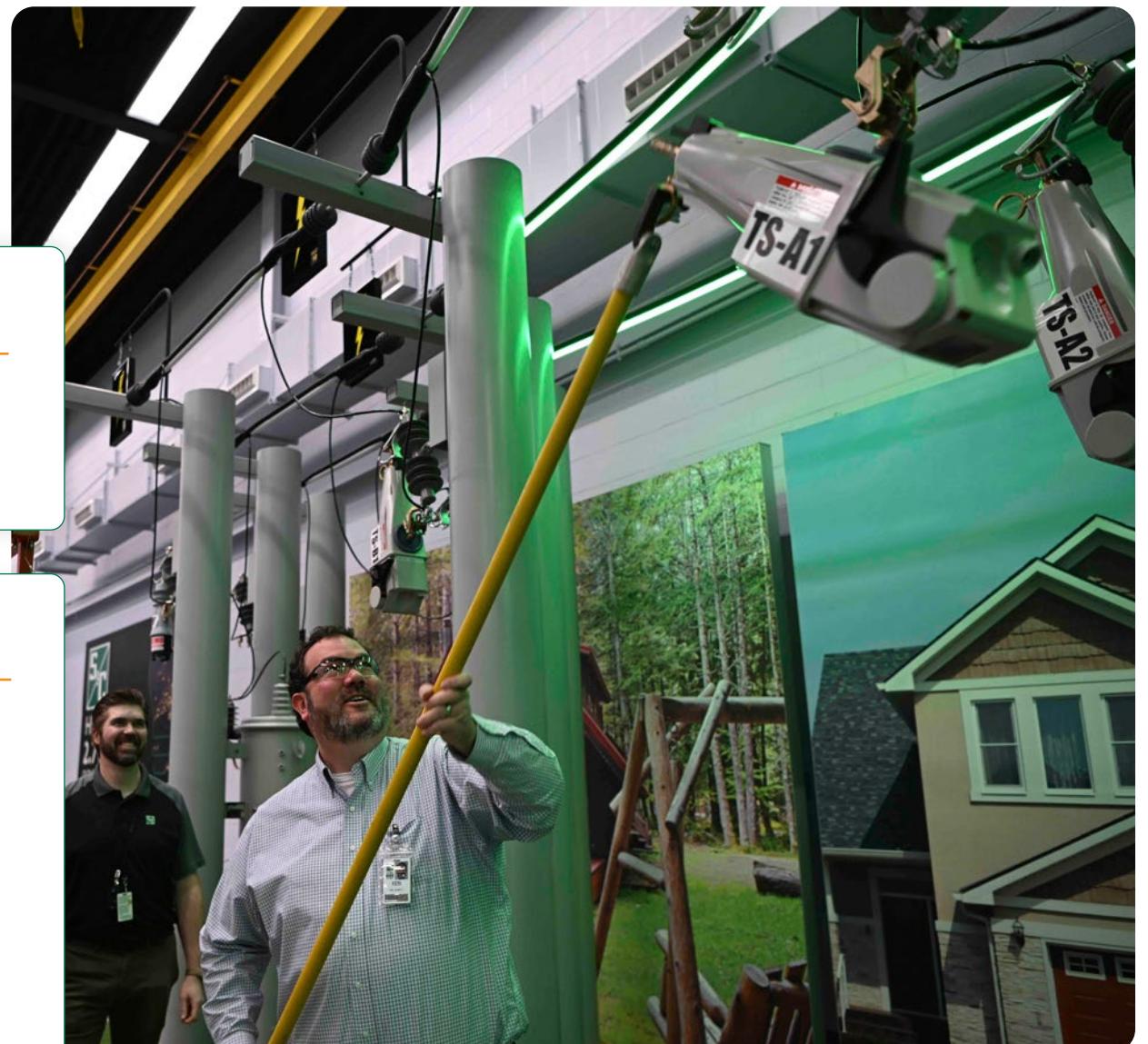
- We strive to meet the highest standards for workplace safety.
- Our culture promotes trust, teamwork, dignity, and respect within our diverse workforce.
- We select suppliers for the long term and favor those that support our continuous improvement. All relationships are based on quality, dependability, integrity, and mutually beneficial results.

### Commitment to Excellence

- We continuously improve what we do and how we do it by learning, contributing ideas, and initiating change.

### Responsible Stewardship

- We are dedicated to private ownership, planning for the long term, and reinvesting in our business.
- We are committed to reducing the environmental impact of our products and business activities and enhancing the use of renewable energy sources.
- We maintain strong and supportive relationships with the communities in which we work.



## ■ Our Strategy

The impacts of climate change and the transition toward electrification intensify the need for resilient grid solutions. This transformation is accelerating the need for sustainable and more resilient energy systems with greater intelligence deployed on the grid. Our two-pronged company strategy is centered on differentiated growth within our existing product portfolio and accelerated expansion of our portfolio to address changes associated with the energy transition.

The electrical industry faces growing demand for electricity and for solutions that support utilities, and other stakeholders, as they invest to manage that demand and the transition to clean energy. We are well-positioned with our existing portfolio to deploy products that reduce the impact and complexity of distribution grid outages. Additionally, with our focus on developing innovative solutions, we are equipped to help solve future sustainability and resilience challenges.

To achieve this strategy, we have a set of corporate initiatives that guide our ambition. These initiatives focus on market leadership in distribution automation and grid resilience, the ability to scale and grow to support market needs, and preparation for the energy transition. Our initiatives are supported by our people-first culture, which cultivates an environment of safety, quality, and innovation. A key part of our continuing organizational advancement is our commitment to growing responsibly and ethically as stewards of our planet. We pursue this with a companywide focus on operational excellence based on continuous improvements and data that guide all business decisions.



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**Our two-pronged company strategy is centered on differentiated growth within our existing product portfolio and accelerated expansion of our portfolio to address changes associated with the energy transition.**

## Our Products and Solutions

As a leader in power and energy solutions, we are dedicated to improving the safety, sustainability, reliability, and resilience of the electrical grid. Our high-quality products, combined with comprehensive services, provide value to our customers as they operate their systems and navigate the energy transition.

Our solutions enhance day-to-day reliability by reducing the duration of power outages from hours to seconds—or to no disruption at all. We design systems to withstand challenging environments and help keep the power on, equipping the grid with smart technology that self-heals or reroutes power during severe weather events.

### Enabling the Energy Transition Through Products and Solutions

Our industry is facing the most significant electrical evolution since the widespread adoption of outdoor distribution systems. With the demand for reliable and resilient power growing each day, and much of that additional load being concentrated at the grid edge, the distribution grid must shoulder substantial pressure caused by the shift to electrification. In parallel to this massive change, the electrical industry must do its part to transition away from fossil fuels and toward more sustainable energy sources. For our part, we offer innovative technologies that enable and support the transition to clean energy.



#### Outcomes

##### Resilience

Strategies, products, and services that improve resilience and accelerate restoration of power after extreme weather events

##### Reliability

Innovations that mitigate momentary and sustained outages and help utilities improve their performance metrics while improving their customers' experiences when using electricity

##### A Greener Grid

Products designed to lower utility carbon footprints and ease the transition to renewable energy resources

#### Enablers

##### Distribution Automation

Fault-testing devices that can mitigate or minimize the impact of outages while making the grid easier to operate

##### Self-Healing Grids

Advanced protection solutions that reduce the scope of outages by isolating faults and rerouting power from alternate sources

##### Lateral Automation

A suite of fault-testing devices offering advanced, end-to-end protection for the last miles of the grid

##### Undergrounding

A series of switchgear solutions designed for durability, safety, and operational ease, including options to reduce carbon footprint

##### Grid Connectivity and Visibility

Software, communications, and controls that optimize system-level solutions and provide visibility to grid performance

##### Commercial and Industrial Solutions

A suite of solutions and services that increases uptime for critical infrastructure and large power users such as data centers, airports, and stadiums

##### Educational Campus

Medium-voltage switching and protection for campuses

## Our Services

Every day, we work to serve our customers, understand their unique challenges, and help them strategize for the future. Our comprehensive services provide end-to-end support for customers, from in-depth system studies to preconfigured, ready-to-install devices and end-of-life support.

Our service team helps customers plan and deploy grid-transformation solutions. It also provides a complete support offering, including change management, training, engineering, and power system consulting.



### Supporting Customers with Life Cycle Services

#### Planning

Power system analyses and consulting to strategize grid-modernization efforts to meet budgetary requirements and provide return on investment

#### Deployment

Various installation support services, including inventory and project management

#### Training and Development

Ongoing development opportunities in a variety of formats to upskill teams on engineering, automation, applications, and S&C products

#### Cybersecurity

End-to-end cybersecurity services, including secure network design, vulnerability assessments, security configuration, supply chain management, and ongoing maintenance

#### Design

Engineering design, settings development, and factory-testing to help ensure devices operate as expected in the field

#### Support

In-field assistance through our 24/7 monitoring and support

#### Customization

Customer-specific configured products that are “pole ready” to install

#### End-of-Life Solutions

Retrofit and upgrade options, as well as sustainable recycling and disposal

# Our Approach to Sustainability

At S&C, we are committed to sustainability and to developing a comprehensive sustainability position that seamlessly integrates with our strategy and operations. We work to enhance existing programs, make progress on key initiatives, and transform our processes, products, and services to advance a resilient and reliable electrical grid.

## Sustainability Governance

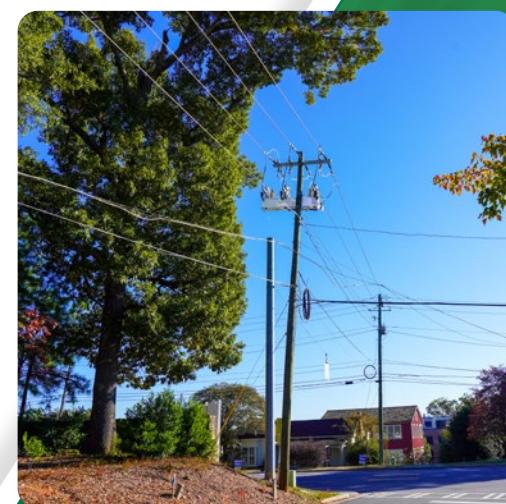
S&C President and CEO Anders Sjoelin oversees our sustainability efforts and serves as chair of the company's Sustainability Steering Committee. The Sustainability Steering Committee also includes S&C's chief operating officer; vice president—marketing and corporate communication; director—global health, safety, and environmental; and director—corporate strategy.

This committee develops and advances our comprehensive sustainability strategy. At the direction of the steering committee, we created a new, full-time position in 2022 dedicated to environmental sustainability. This role's responsibilities include serving on the steering committee and supporting companywide initiatives, baselining, and continuous improvement efforts as we further our sustainability programs, goals, and commitments.

## Sustainability Strategy

We continue to advance our strategy, management, and reporting efforts in alignment with our enterprise strategy and sustainability pillars. Given the critical role S&C plays in the global energy transition, we are strengthening our focus on environmental sustainability and formalizing our commitments in this area.

Our sustainability strategy addresses the ever-evolving needs of our industry, stakeholders, and planet through consistent evaluation and teamwork. Our sustainability pillars directly align with S&C's corporate strategy and guiding principles, which serve as the foundation of our actions and decision-making. This alignment underscores the importance of sustainability at S&C and its critical integration into the expectations we have for ourselves and our vision for the future. We drive progress and accountability by maintaining a continuous-improvement mindset and focusing our efforts on the most significant opportunities to enable positive outcomes for our stakeholders.



Our strategic approach is rooted in our three sustainability pillars. Within these foundational areas, we focus on key topics where our organization can have a measurable impact on the challenges facing our world. S&C's sustainability pillars and material topics are the following:

## S&C's Sustainability Pillars and Material Topics

### People-First Culture



Fostering an inclusive, people-first culture where the diversity, expertise, and collaboration of our team members drive shared growth and success

- Team Member Health and Safety
- Talent Attraction and Retention
- Team Member Engagement and Development
- Diversity, Equity, and Inclusion
- Well-Being and Work-Life Balance
- Compensation and Benefits
- Social Impact and Community Engagement

### Customer-Centered Innovation



Developing innovative and resilient solutions to navigate the energy transition and help our customers keep the power on around the world

- Product Innovation
- Product Safety and Quality
- Products and Solutions
- Customer Focus and Support

### Operational Excellence



Embracing our principle of Responsible Stewardship to demonstrate our commitment to sustainability in all areas of our operations and solutions

- Climate Change and Decarbonization
- Energy Efficiency
- Waste Management
- Air Quality
- Water Conservation
- Supply Chain Management

## Ethics, Integrity, and Governance

Our approach to sustainability is built on our foundational commitment to the highest standards of ethics, integrity, and governance. We believe these principles are critical to S&C's long-term success. As a people-first organization, we work every day to uphold these values and make a positive impact on society and the world.

### Ethics and Integrity

S&C is committed to treating all team members, customers, and stakeholders fairly; to acting ethically; and to upholding the highest standards of integrity in our operations and business dealings. Our values drive our actions and enable us to build long-term relationships and uphold our reputation as a trusted partner and respected employer.

Under the purview of S&C's president and chief executive officer and the audit committee of the S&C board of directors, our ethics and compliance director, reporting directly to the general counsel, is responsible for our compliance program, policies, and procedures. The general counsel and ethics and compliance director serve as chair and co-chair respectively of the S&C Compliance Committee, which includes the global leader from each S&C functional area and members of our senior leadership team.

Members of the S&C Compliance Committee work together to oversee the company compliance strategy and conduct annual risk assessments. S&C's [Required Ethical Standards, Code of Business Conduct](#) provides team members with guidance on making ethical business decisions and complying with all applicable laws, rules, standards, best practices, and regulations in the communities in which we operate.

Team members complete annual training on our Required Ethical Standards, Code of Business Conduct, which sets forth the standards by which we conduct all our operations, codifying our approach, responsibilities, and commitments to:

- Understand the needs of customers—whether within or outside S&C—and perform the work that best meets those needs
- Behave ethically at all times
- Treat all team members, customers, and suppliers in a manner that promotes trust, dignity, fairness, and respect
- Maintain workplace safety and seek ways to reduce S&C's environmental impact
- Seek ways to continuously improve upon S&C's practices, as well as team members' own work to maintain the high standard of product and service quality for which S&C is known
- Strive to ensure S&C complies with all applicable laws, rules, standards, best practices, and regulations
- Protect S&C's assets

Each S&C team member is responsible for promoting an ethical culture and is encouraged to report any work-related behavior that may be a violation of law, our policies, or ethical standards in person, in writing, or through S&C's anonymous helpline, which is operated by an independent, third-party provider. We continuously assess our policies and procedures and implement new technology solutions to ensure effective compliance and controls.

### Topics Covered in S&C's Required Ethical Standards, Code of Business Conduct

- Health and safety
- Environmental sustainability
- Diversity, equal opportunity, and respect in the workplace
- Proper use of company assets
- Protecting our information systems and data
- Maintaining documents and records
- Disclosures and external communications
- Using social media
- Privacy and confidential information
- Anti-corruption and improper payments
- Suppliers and business alliances
- Conflicts of interest
- Gifts and entertainment
- Competitive practices
- Government relations
- International trade compliance
- Human rights
- Non-retaliation policy
- Waivers and exceptions

## Board Committees' Oversight Summary

# Corporate Governance

As a privately held, employee-owned company, S&C has a responsibility to make decisions for the long-term benefit of its team members while aligning with its sustainability objectives. We believe strong corporate governance is central to this commitment and the success of our business. Guided by our board of directors and led by senior leadership, we prioritize social equity and inclusion, risk mitigation, and ethical business practices throughout the organization to serve the interests of our team members, customers, and other stakeholders.

### Board of Directors

The board is responsible for providing oversight of the strategic and operational direction of the company. The board works to support the long-term interests of our team members and, in keeping with our guiding principles, considers our full range of stakeholders in its decision-making.

Our board members are accomplished leaders from diverse backgrounds and bring the unique perspectives, skills, and experience necessary to provide effective oversight. The board is led by our chair, John Estey, former S&C president and chief executive officer. In 2022, we added a new board member, bringing female representation on our board to 33 percent, up from 27 percent in 2021.

When identifying new board members, the governance committee uses a detailed skills matrix with the objective of bringing diverse perspectives. GreatBanc Trust Company, the trustee of the ESOP component of the S&C 401(k) Retirement Savings and Employee Stock Ownership Plan (KSOP), ratifies the election of all board members.

Board Committee	Oversight Responsibility
Governance	<p>Assists the board in overseeing board structure and governance practices, including:</p> <ul style="list-style-type: none"> <li>Assessing board skills and experience in light of the company's strategy and recommending candidates that align with that strategy</li> <li>Ensuring new directors receive sufficient and appropriate orientation and opportunities for continuing director education</li> <li>Making sure the board engages in an objective and self-critical evaluation of its individual and collective performance</li> <li>Monitoring board diversity and inclusiveness</li> </ul>
Human Resources and Compensation	<p>Assists the board in carrying out its overall responsibility relating to:</p> <ul style="list-style-type: none"> <li>Executive compensation, including philosophy and programs</li> <li>Management development and succession</li> <li>Broadly applicable human resource, compensation, and benefit programs</li> <li>Diversity, equity and inclusion programs</li> </ul>
Audit	<p>Assists the board with respect to matters involving accounting, financial reporting, internal controls, and risk management in its oversight of:</p> <ul style="list-style-type: none"> <li>The integrity of S&amp;C's financial statements</li> <li>The soundness of S&amp;C's system of internal controls regarding financial reporting and accounting</li> <li>S&amp;C's compliance with legal and regulatory requirements applicable to financial matters</li> <li>S&amp;C's independent auditors' qualifications, independence, and performance</li> <li>The performance of S&amp;C's financial function</li> <li>Compliance with S&amp;C's Guiding Principles and Required Ethical Standards, Code of Business Conduct</li> <li>Together with S&amp;C leadership, periodic review of certain business risks delegated and assigned to the committee by the board under the company's enterprise risk management program</li> </ul>

## S&C's Board of Directors



**John Estey**  
Chairman of the Board



**Christopher Curtis**  
Director



**Marcie Edwards**  
Director



**G. Michael Horn**  
Director



**Amelia Huntington**  
Director



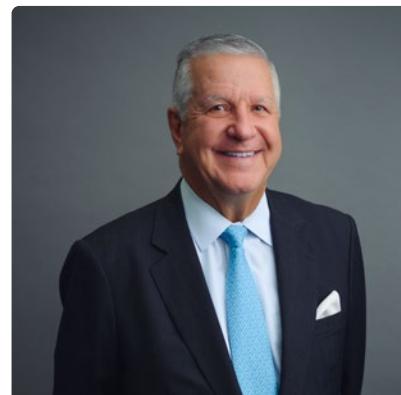
**Jane Irwin**  
Director



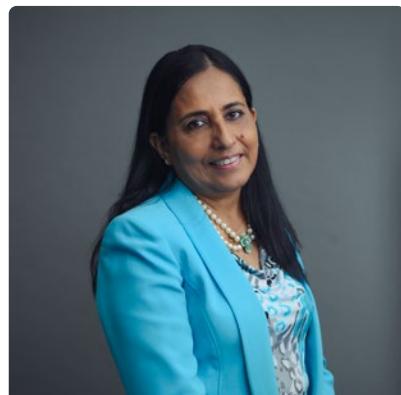
**James Kelly**  
Director



**John Kirkpatrick**  
Director



**Michael Pessina**  
Director



**Ruby Sharma**  
Director



**Stanley Slabas**  
Director



**Anders Sjoelin**  
President and Chief  
Executive Officer,  
Executive Director

## Executive Leadership Team

Under the oversight of the board, S&C's executive leadership team sets our strategic direction and fosters innovation, accountability, and continuous improvement in line with our business and sustainability objectives. We leverage the strength of our executive leadership team to execute on our global corporate strategy, thereby providing long-term value for our customers and our team members while advancing our ideals of team member empowerment, equity, and engagement.

Our recruitment and training practices reflect our objective to increase gender and ethnic diversity on our leadership team. As of year-end 2022, 33 percent of our executive leadership is diverse in terms of gender, race, or ethnicity.

### S&C's Executive Leadership



**Anders Sjoelin**  
President and Chief Executive Officer



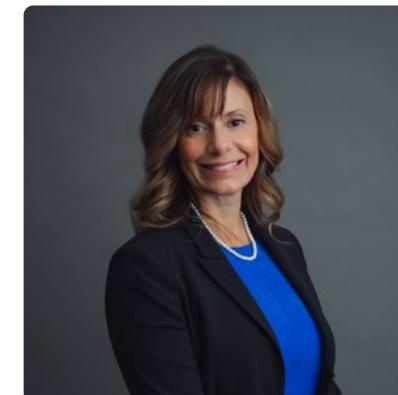
**Mike Edmonds**  
Chief Commercial Officer



**Anders Hultberg**  
President, S&C Electric Canada Ltd.



**Jim Johnson Jr.**  
Chief Operations Officer



**Trisha Knych**  
Vice President—Marketing & Corporate Communications



**Felicia Kohlenberger**  
Chief Human Resources Officer



**Tim Qualheim**  
Chief Technology Officer



**Aurelie Richard**  
Chief Finance, Administration and Strategy Officer



**Tony Sitko**  
General Counsel and Corporate Secretary



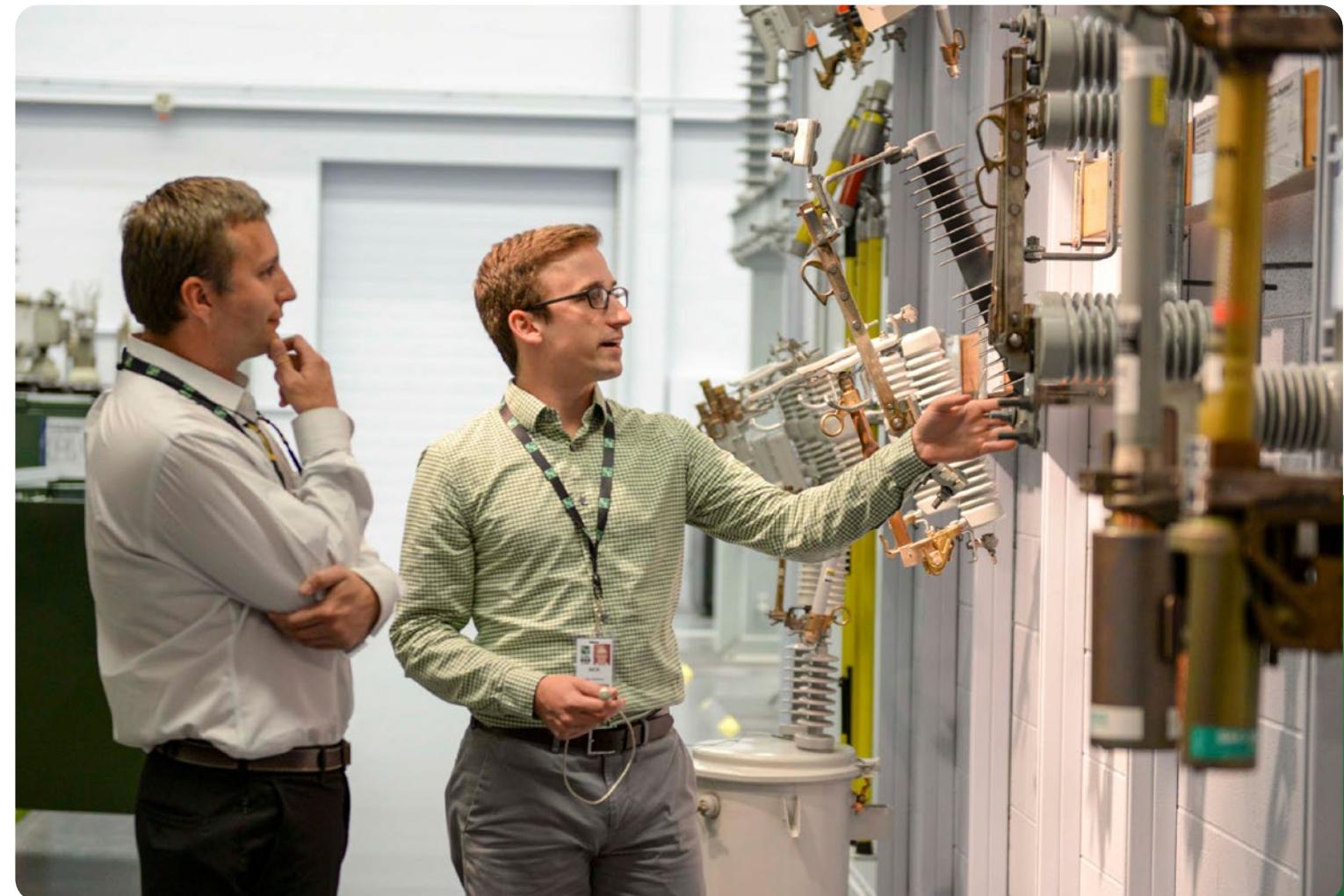
**Mark Stavnes**  
Chief Product Development Officer

## Risk Management

S&C manages its key internal and external risks through its enterprise risk management program. The board of directors guides this program, which identifies, measures, and monitors business risks while promoting safety, innovation, operational excellence, global growth, human development, and other strategic priorities, with S&C's mission, vision, values, and guiding principles serving as its foundation. The systematic identification, assessment, and monitoring of risk is designed to facilitate effective decision-making and drive performance.

S&C's information security program governs the handling, storing, and deletion of all printed and digital information while conducting business. In accordance with applicable laws and regulations, team members are required to manage private and confidential information with care and in accordance with our documented processes. We require that personal or confidential information collected by, or for, S&C be properly safeguarded and used for business purposes only. This includes nonpublic or private information about S&C, as well as S&C's team members, customers, suppliers, and contractors.

We design our privacy and cybersecurity protocols to protect our digital information and systems from cybersecurity attacks and unauthorized access. Our cybersecurity controls are strictly enforced to help ensure the information of S&C's team members, customers, and business partners remains secure. This program is further supported by regular cybersecurity training and educational campaigns for team members. All team members are responsible for properly using and safeguarding our information and systems to promote security throughout S&C.



### S&C's Governance Policies

- [Required Ethical Standards, Code of Business Conduct](#)
- [Supplier Code of Conduct](#)
- [DE&I Statement](#)
- [Quality Policy](#)
- [Environmental Policy Statement](#)



## PEOPLE-FIRST CULTURE

**At S&C, we foster an inclusive, people-first culture where the diversity, expertise, and collaboration of our team members drive shared growth and success.**

- [20 Team Member Health and Safety](#)
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## People-First Culture

The exceptional talent and dedication of our team members drive our success and create a community where we work together to accelerate personal development and create sustainable company value. We believe diverse, inclusive teams empower each other to innovate and do their best work. S&C's people-first culture carries through every aspect of our business. We make long-term decisions that benefit our team members and invest in initiatives that lead to professional and personal fulfillment. This helps us attract and retain top talent and create an environment where our people advance S&C and transform the grid.

## Team Member Health and Safety

S&C's approach to team member health and safety is rooted in our core value of Respect for People. Safety is our No. 1 priority, and we work together every day with a focus on our companywide goal to be recordable-injury free.

Meeting this ambitious goal requires daily commitment, participation from every team member, and consistent review of our progress. Everyone at S&C is expected to keep safety at the center of their actions to protect themselves and their fellow team members.

We emphasize safety from the moment new team members join S&C, and in 2022, we extended our new-hire orientation period to better support this focus. During the onboarding process, team members are trained on safety procedures specific to their roles and everyday safety requirements at S&C, as covered in our Safety Manual. Key topics include:

- Safety for life
- Safety rules and training
- Personal protective equipment
- Proactive safety inspections
- Occupational health and ergonomics
- Work-specific safety procedures and incident prevention
- Energy control and lockout/tagout practices
- Chemical safety and industrial hygiene



Throughout their tenure at S&C, all team members must maintain workplace safety and follow the written policies and procedures outlined in our Safety Manual. Our manufacturing team members also participate in regular safety briefings and are encouraged to suggest improvements. Everyone is empowered to stop work immediately if necessary to address a workplace safety concern.

In 2022, we furthered safety awareness through daily meetings and proactive activities. In China, we improved fixtures and tools on our assembling machines to reduce workplace noise levels. At our Franklin location, we updated our equipment, including the implementation of an automated strip and crimp machine, to improve ergonomics and reduce the need for hand operations.

For the second year, we participated in the Occupational Safety and Health Administration's (OSHA) annual Safe + Sound Week, which supports workplace safety by helping businesses identify hazards before they become problems, improve sustainability, and bolster existing health and safety programs.

More than 300 team members in the U.S., Mexico, and Canada participated, joining virtual sessions and receiving information on important safety topics, including office ergonomics, exercises, and proper stretching to reduce injuries.



### S&C's ISO 45001 Certification Efforts

In 2022, our operations in China were successfully certified to the International Organization for Standardization (ISO) 45001 Occupational Health and Safety Management System, while our operations in Mexico were successfully recertified to this same standard. Plans are ongoing to certify our manufacturing sites in the U.S. and Canada by 2025.

## Safety Action Teams Empower Team Members

S&C's Safety Action Teams (SATs) provide shared responsibility for identifying and remediating potential safety risks through various methods, including observations, assessments, and interviews with team members. All team members have an opportunity, on a rotating basis, to serve on an SAT for their department, unit, or division. The Safety Action Teams began in the late 1990s as part of a National Safety Council program.

To help meet our safety goals, we engaged a third party to help us restructure and improve our SATs, some of which resumed their operations in 2022 after pausing their work because of COVID-19. Responsibilities of our 14 SATs include:

- Completing monthly "Go and See" inspections
- Managing our Quick-Fix program
- Organizing safety awareness and promotion campaigns
- Offering targeted safety programs based on data analysis (including ergonomics and hand safety in 2022)
- Conducting accident/incident investigations and analyses
- Monitoring progress and resolution of identified safety improvement opportunities

**"Safety is fundamental at S&C. Team members are the heart of S&C, and our passion for safety is rooted in our belief that everyone is essential and what we do matters. Safety is a team sport, and we win when everyone plays as a team."**

— Anders Sjoelin, President and CEO

## S&C's Signature Safety Action Team Programs

### Quick-Fix Program

A "quick fix" comes from an observation about a particular issue that can be immediately addressed. The program, driven by our SATs, allows any team member to submit a quick-fix observation. In 2022, team members submitted and resolved more than 3,000 quick fixes.

### Go and See

These monthly visits in Production Operations allow senior leaders to spend time with team members and gain safety insights. During these safety visits, we learn what is working and what needs improvement and then develop and implement specific responsive action plans. The Go and See visits occur consistently in many of our U.S. locations, as well as in our locations in Canada and Mexico, and they are sometimes also attended by members of the executive leadership team.

### Safety Steering Team

New in 2022, the Safety Steering Team, composed of one representative from each SAT and two senior leaders from Production Operations, meets regularly to review the progress of the SATs and share ideas and best practices among teams.

### Leadership Observations

Supervisors and assistant managers in Production Operations at our U.S. and Mexico facilities add their observations to our safety observation software system. Manufacturing leaders have a performance goal tied to identifying, documenting, and resolving safety observations within their teams.

## Safety Performance

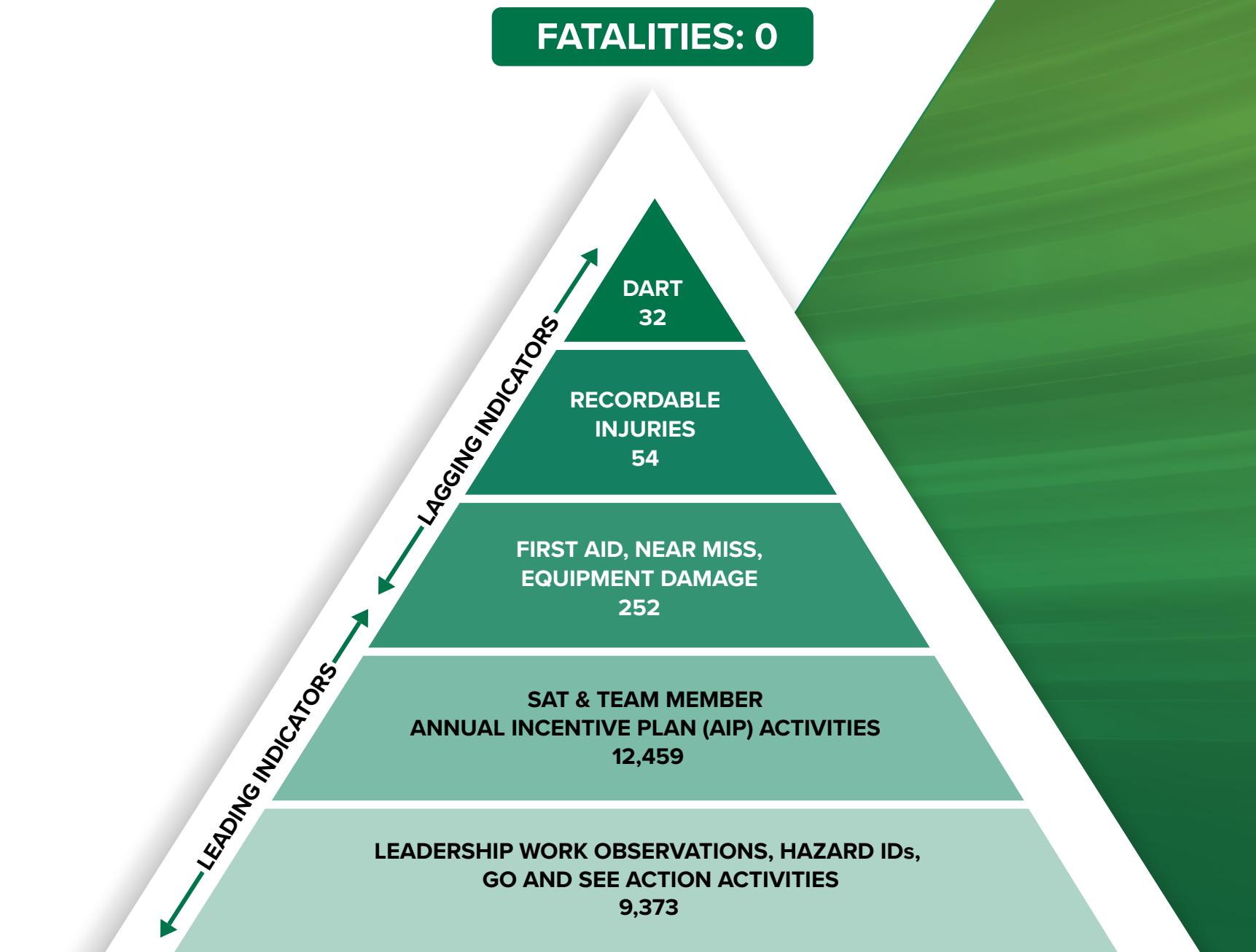
S&C's safety-first mindset drives our performance. We track both leading and lagging indicators to gain a holistic picture of our safety data and trends.

To attain our goal of zero recordable injuries, we work to identify potential issues and remove risk. Leading indicators are critical to understanding risks that exist and addressing concerns before they cause safety incidents. Our focus on leading indicators allows us to be proactive and preempt safety issues, as evidenced by our goal for production leaders to log five safety observations per month. In 2023, this goal will increase to eight observations per month to respond to improvement opportunities identified in 2022.

Our 2022 leading indicator results reflect our commitment to safety and the work of the newly restructured SATs:

- More than 9,000 leadership work observations, hazard IDs, and Go and See events—a 40 percent increase from 2021
- 252 first aid, close call, and equipment damage incidents—a 25 percent decrease from 2021
- More than 12,000 SAT and team member safety observations and hazard identifications—over three times more than in 2021

The key lagging indicators S&C tracks include Total Case Incident Rate (TCIR) and Days Away, Restricted, or Transferred (DART). TCIR and DART are standardized metrics OSHA developed to provide businesses with a method for determining the effectiveness of their safety programs. They measure the frequency of workplace injuries that meet the OSHA definition of a recordable incident and/or result in lost working hours for the affected team member.



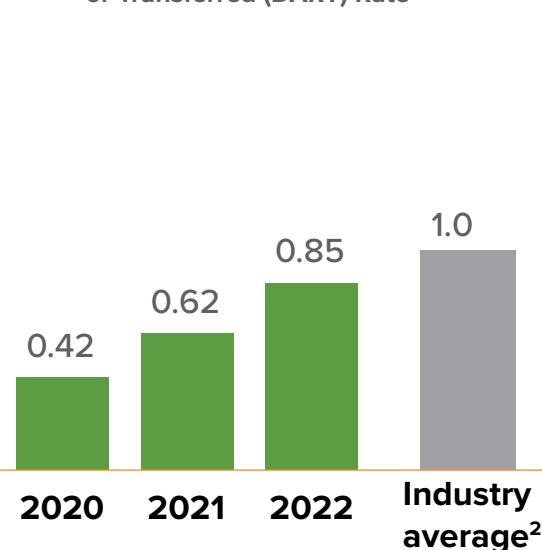
**GLOBAL SAFETY PYRAMID 2022 METRICS**

S&C has maintained TCIR and DART rates well below the industry average throughout our 100+ year history, but our core belief that even one incident is too many continuously pushes us to do more to drive our lagging safety indicators even lower.

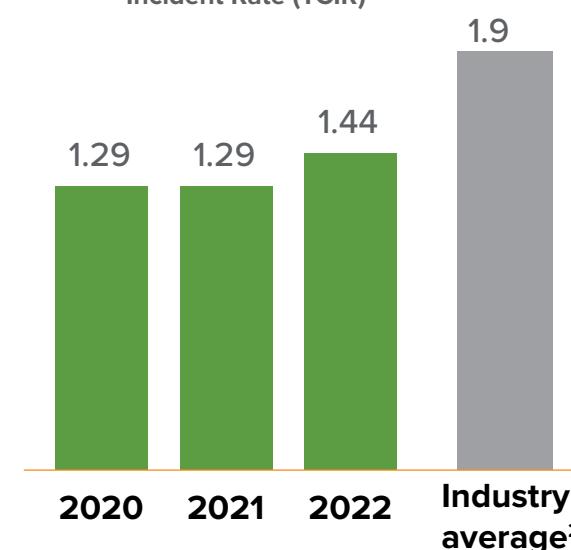
During the COVID-19 pandemic, we temporarily adjusted many of our safety programs to avoid contact or contamination between team members, and in 2022 we focused on reinstating and improving these programs. S&C saw a slight increase in our lagging safety indicators in 2022 mainly because of a higher population of new hires, which we are addressing through increased safety training during the onboarding process. Nearly half (49 percent) of recordable injuries in 2022 were musculoskeletal injuries, including sprains and strains. In 2023, we are providing additional safety training for production leadership and implementing an incentive program for participation in biokinetics, which teaches ergonomic stretches and exercises to help prevent musculoskeletal injuries.

#### Global DART and TCIR Data

Global Days Away, Restricted, or Transferred (DART) Rate<sup>1</sup>



Global Total Case Incident Rate (TCIR)<sup>1</sup>



<sup>1</sup> Rates are calculated per 100 full-time workers.

<sup>2</sup>Industry averages were sourced from U.S. Department of Labor NAICS statistics.

#### Anders Sjoelin: A CEO Who ‘Gets It’

In early 2023, the National Safety Council named S&C’s Anders Sjoelin one of the [2023 CEOs Who “Get It.”](#) This annual recognition highlights safety leaders who go the extra mile to protect team members both on and off the job through safety strategies emphasizing risk reduction, performance measurement, safety management solutions, and leadership and engagement.



## Talent Attraction and Retention

S&C's commitment to providing meaningful careers that include advancement opportunities continues to set us apart as an employer of choice. Our dedication to our team members is evident through our retention—the average S&C team member tenure in the U.S. is 11 years, which exceeds the national average.

### Fostering Talent Attraction

Our talent acquisition strategy drives us to find new, innovative ways to attract top talent, broaden applicant pools, support diverse candidate pipelines, enhance S&C's brand awareness in the competitive labor market, and deliver an exceptional candidate experience.

Talent Acquisition's goal is to meet the business needs for talent now and in the future by focusing our initiatives on four key areas:

- Attracting top talent
- Broadening our talent outreach and increasing the diversity of our talent pipelines
- Increasing S&C brand awareness
- Delivering an exceptional candidate experience

### Enhancing Recruitment Through Partnerships

We cultivate and maintain relationships with local and national partners to help us attract top talent. These organizations, as well as key industry associations, foster diversity in our candidate pipeline and elevate S&C's visibility. Our national industry associations include:

- Women in Manufacturing
- National Society of Black Engineers
- Society of Women Engineers
- Girls Develop IT

We also recruit through grassroots organizations and connect with public and private colleges, as well as trade schools. This includes our partnership with George Brown College, through which four women in the Computer Numerical Control (CNC) and Precision Machining Program received paid co-op roles at S&C

in 2022. Internships and co-op programs play an integral role in welcoming the next generation of S&C team members. We offer our interns and co-op participants meaningful work that aligns with their passions.

In 2022, we had 53 interns working in Product Development, Engineering, IT, Finance, Quality, Safety, Production Planning, and more. We also work with the INROADS Internship Program, which prepares talented, diverse high school and college students across the country for corporate readiness with business soft skills, real-world leadership development activities, academic and career support, and opportunities for a paid internship.



**The average S&C team member tenure in the U.S. is 11 years, which exceeds the national average.**

## ■ Team Member Engagement and Development

We engage our team members throughout their professional journeys and support them in cultivating rewarding careers. By providing career growth opportunities, development programs, and a comprehensive performance-management process, S&C continues to equip team members with the tools to grow professionally and personally.

### Engaging Our Team Members

Across the organization, S&C fosters engagement through dedicated programs that empower our culture and develop meaningful connections among team members.

We believe we generate better ideas and make better decisions when everyone has a voice. We regularly ask team members for their honest feedback and apply this feedback to support our continuous improvement. Our 2022 global engagement survey, encompassing both salaried and hourly team members, recorded an 82 percent response rate.

Based on the engagement survey results, we work to develop action plans to address opportunities for continuous improvement at both the enterprise level and within functions. Actions taken in 2022 based on the results of the 2021 engagement survey included:

- The launch of an **improved performance review process**, which featured additional training for leaders focused on identifying team members' strengths and areas for opportunity
- A **new check-in process** to ensure performance and development conversations occur throughout the year
- **Updated internal resources and tools** to support all team members throughout the review process

We recognize team members for their efforts and contributions to our culture. S&C presents the annual Jimmy Davis Spirit Award in memory of Davis, a member of our Power Systems Solutions team known for his collaboration and entrepreneurial spirit in advancing S&C's services business. The award honors a team member who exhibits the traits Davis embodied in his career, including honesty, integrity, dedication, and determination. In 2022, Bob Hatfield, a valued member of our Global IoT and Automation team who has worked at S&C for 40 years, received the honor. Hatfield has been at the heart of many process improvements at S&C, including the deployment of computer tablets for all team members in production areas and championing the development and success of the Total Productive Maintenance program.

### Highlights of 2022 Engagement Survey

**90%** of team members believe S&C is committed to team member safety.

**89%** of team members feel comfortable reporting any safety concern, no matter how small.

**84%** of team members believe S&C is taking action to be socially responsible.

**83%** of team members believe that S&C shows a commitment to ethical business decisions and conduct.

**82%** of team members have confidence in the future of S&C.

## Team Member Training and Leadership Development

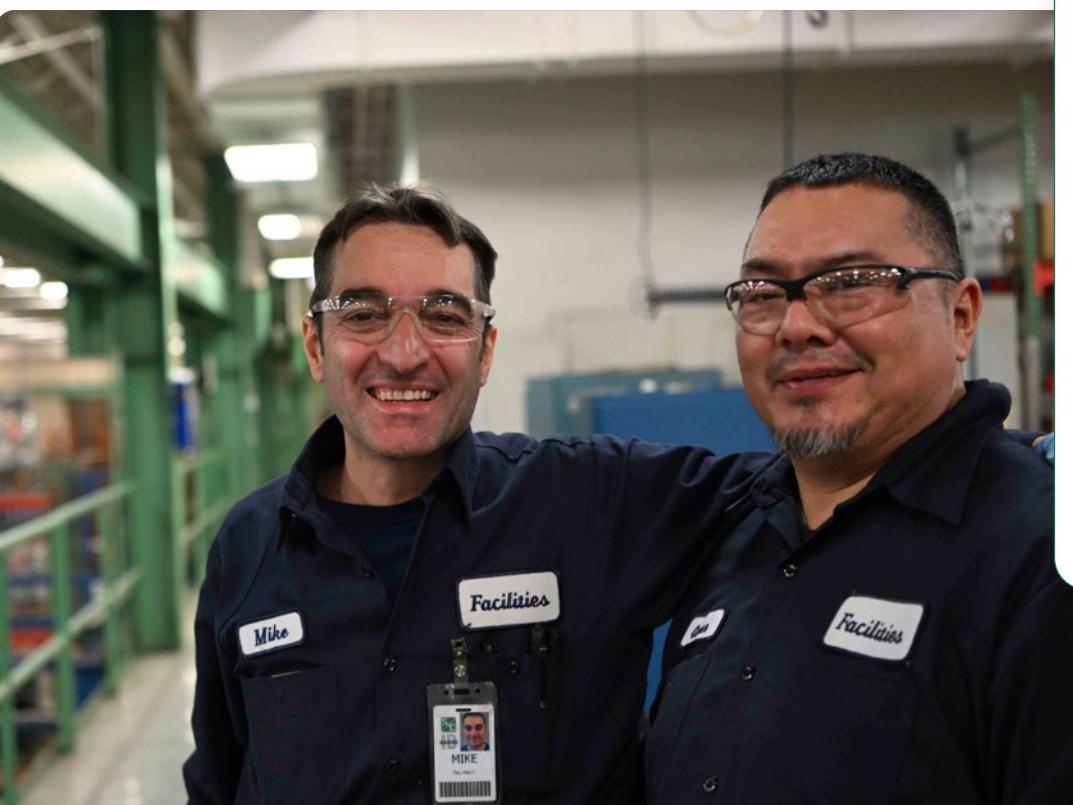
On-the-job training is a critical component of the ongoing development of all team members, enhancing individual skills while promoting adherence to the highest safety standards. S&C provides training throughout the year, including required programs focused on health and safety, information security, and our Required Ethical Standards, Code of Business Conduct.

Additionally, our development and leadership training programs provide knowledge-building and skill-development opportunities to help team members progress in their careers.

Signature development and leadership training programs include:

- **Manufacturing Work Elements:** This skills-based, on-the-job training program promotes career growth for production team members while striving to ensure competitive wages. The Work Elements program reinforces our culture of performance while building manufacturing skills and experience. In 2022, team members earned 668 professional skill certifications through the Work Elements program.
- **Hand Raise Application:** This online platform enables production team members to “raise their hand” for additional development and growth opportunities. When paired with our Work Elements program, the Hand Raise application is a tool for team members to accelerate their career growth. In 2022, 91 percent of U.S. production team members and leaders attended retraining sessions on the Work Elements program, which included information on the Hand Raise application.

- **Development Plans:** These plans encourage conversations between non-hourly team members and leaders to identify career goals and skill-building opportunities and create action plans to address those objectives. In 2022, 206 team members completed the development planning worksheet, and 98 have one or more active development goals.
- **Leadership Experience:** This three-phase program (Launch, Elevate, Accelerate) supports team members throughout their leadership journey, helping leaders understand their strengths and leadership styles through ongoing coaching and support. In 2022, S&C team members recorded 2,614 total training hours in this program, a 21 percent increase from 2021.
- **Operational Excellence Leadership Program:** This program allows production floor leaders to develop skills through on-the-job coaching in problem solving and operational improvements. In 2022, team members received more than 12,000 coaching hours through this program.



## Enhancing Our Perspectives on Inclusion and Diversity

Since 2019, we have maintained an ongoing relationship with the Yale School of Management to offer its Fostering Inclusion and Diversity course as an optional learning experience encouraged for all S&C leaders. The course equips leaders with the skills to build more diverse teams within more inclusive environments to increase collaboration, innovation, and overall effectiveness. Over three weeks in 2022, 88 team members participated in live and video interactive learning sessions, with assignments that applied course knowledge to S&C business objectives. The course centered on three key objectives for participants:

- Overcoming bias
- Expanding decision networks
- Leading more inclusive teams

Team members applied tactics learned in the course to identify a decision that was pending, organize a diverse group for conversation, and uncover new insights that could contribute to the decision's outcome. This training program reinforces our commitment to diversity, equity, and inclusion and highlights the importance of continuous learning.

## Diversity, Equity, and Inclusion

S&C's commitment to diversity, equity, and inclusion (DE&I) is rooted in our values and guiding principles. Each year, we strive to make substantive progress to inspire trust, teamwork, and belonging within our global workforce and the communities we serve. We believe DE&I has a positive impact on every aspect of our business, especially in innovation, creativity, talent attraction, and team member retention.

We are committed to DE&I and strive to ensure our efforts are evident both internally and externally. Our [DE&I Statement](#) declares our dedication to advancing our journey toward a diverse and equitable workplace.

To drive progress and accountability, S&C establishes key internal goals focused on increasing people of color and women in our workforce.

Our DE&I Council includes 28 team members with diverse experiences and various roles across our organization. In coordination with the council, S&C leadership and Human Resources create and implement DE&I roadmaps, programs, and policies, with a focus on five strategic areas:

- **Organizational commitment:** DE&I is an extension of S&C's guiding principle of Respect for People, supported by leadership and embedded in everything we do. We aim to ensure our team members, communities, and stakeholders have a clear understanding of the importance of advancing our DE&I journey.
- **Removing structural barriers:** We continually review our team member offerings, organizational policies, and processes to ensure they are bias-free and equitable.
- **Advancing DE&I education:** We offer several options for DE&I training, career path guidance, and allyship education to address core elements while being mindful of various learning preferences and work arrangements.
- **Enhanced talent-enablement processes:** We are enhancing our approach to internal mobility through a DE&I lens to eliminate biases. This is accomplished by ensuring there are many opportunities for advancement, and all team members are supported along their career paths.
- **Celebrating diversity:** We aim for all team members to feel comfortable bringing as much of their authentic selves to work as they desire and to feel appreciated for the unique skills and perspectives they bring to S&C. While we host various events and provide team member recognition throughout the year, we believe advancing DE&I is a commitment each one of us makes every day and involves reflecting on how our behaviors can create a more inclusive culture.



**Our DE&I Statement:**

At S&C, everyone is essential. We believe diverse, inclusive teams empower each other to innovate and do their best work. Together, we drive for equity to build meaningful, challenging careers and to care for our communities and each other. We celebrate our successes, learn and grow from our mistakes, and inspire each other to create the grid—and workplace—of the future.



## Enhancing Team Member Diversity

With team members across the globe and spanning five generations, S&C embodies a culture of respect for all people, regardless of race, ethnicity, religion, sex, age, sexual orientation, gender identity, national origin, disability, veteran status, marital status, or diversity of thought. We continue to prioritize initiatives to increase the overall diversity of our workforce, including:

- Broadening our talent pools and developing strategic relationships to attract diverse candidates
- Increasing awareness of and participation in our team member affinity groups, development programs, and other resources to help maintain the diversity of our existing workforce and provide a place for team members to feel appreciated, accepted, and supported
- Setting a goal for our salaried recruiters to include at least one diverse candidate, by gender or race/ethnicity, for every three candidates they present for a position

Our ongoing commitment to advancing the diversity of our workforce has resulted in notable progress since the implementation of related initiatives, including a 28 percent increase in the racial diversity of new hires, more than a 5 percent increase in the racial diversity of leaders, and nearly a 5 percent increase in female hourly team members since 2020.

While we are proud of the progress we have made, we recognize there is still work to be done. Looking ahead, we will continue to take action to increase the overall diversity of our workforce, especially within leadership teams and salaried positions.

## 2022 Diversity at a Glance

### RACIAL DIVERSITY – U.S. Only

	New Hires	Salaried	Hourly	Leaders
White	30.8%	64.5%	26.5%	66.7%
Black or African American	21.5%	7.3%	22.9%	9.1%
Asian	14.7%	14.6%	12.6%	10.6%
Hispanic or Latino	30.2%	11.6%	35.6%	13%
American Indian or Alaska Native	0.3%	0%	0.3%	0%
Native Hawaiian or Other Pacific Islander	0.3%	0.1%	0.3%	0%
Two or More Races	2.2%	1.9%	1.8%	0.6%

### GENDER DIVERSITY – Global

	New Hires	Salaried	Hourly	Leaders
Female	22.9%	22.6%	17.9%	19.1%
Male	76.6%	77.3%	82%	80.9%
Nonbinary*	0.5%	0.1%	0.1%	0%

\*Only S&C's locations in Asia Pacific, the U.S., and Mexico report on nonbinary gender identity.

### AGE AND TENURE – Global

	New Hires	Salaried	Hourly	Leaders
Under 30	29.3%	30.4%	29.6%	0.5%
30–50	67.8%	49.6%	51.7%	52.8%
Over 50	2.9%	20%	18.7%	46.7%

## Fostering an Inclusive and Equitable Work Environment

Achieving and sustaining an inclusive work environment requires both far-reaching initiatives and an ongoing, personal commitment from each team member. We work to challenge our own unconscious biases and foster an accepting, inclusive environment where everyone's voice is heard. Key initiatives from 2022 include:

- Developing and distributing a Transgender Inclusion Guide
- Improving HR processes to accommodate the specification of team members' preferred names and pronouns
- Partnering with Yale School of Management to offer a Fostering Inclusion and Diversity training session for leaders
- Offering production leaders a hands-on workshop, Connecting with Others, designed around five inclusivity competencies to encourage inclusion as a standard practice; S&C will assign this workshop to all production leaders in 2023

Each year, S&C conducts a pay equity analysis, which examines the total compensation of all U.S. salaried team members and reviews performance metrics and comparable salary ranges. Additionally, with a highly diverse workforce, S&C's employee-ownership structure helps close pay gaps by providing an equal opportunity for economic advancement to all team members.



For the first time, S&C submitted information to the Human Rights Campaign Foundation's Corporate Equality Index, a benchmarking framework for corporate policies, practices, and benefits for lesbian, gay, bisexual, transgender, and queer (LGBTQ+) employees. We received a score of 80 on the Index, which represents a strong foundation for us to build upon as we look to advance equity for both present and prospective LGBTQ+ team members.

## Affinity Groups Unite and Support Team Members

S&C's affinity groups, both global and regional, serve as the hub for camaraderie and shared learning among team members. The groups help team members feel a sense of belonging at S&C, both socially and in their careers.

To raise awareness and encourage team members to learn about and honor all groups of people within and outside of S&C, affinity groups led the observation of holidays and months of focus in 2022, including Black History Month, Canadian Multiculturalism Day, Women's History Month, Asian American and Pacific Islander Heritage Month, Hispanic Heritage Month, Pride Month, and National Coming Out Day. The affinity groups sponsored educational sessions and presentations associated with many of these observations, including a Black History Month Educational Session and a Pride Walk. We also welcomed presenters from historically Black colleges and universities for a panel presentation, and our team members in Canada offered a seminar on creating a culture of inclusion.

Additional affinity group events in 2022 included:

- In Canada, Mexico, and the U.S., local Health, Safety, and Environmental teams partnered with affinity groups to plan events and activities for **S&C's annual Sustainability Week**. Sustainability Week activities resulted in the collection of 1,054 lbs. (478 kg) of household hazardous waste, 3,194 lbs. (1,449 kg) of electronic waste, 275 lbs. (125 kg) of shredded paper, and 360 lbs. (136 kg) of trash collected from local beaches.
- In addition to our on-campus **Pride Walk**, Spectrum hosted a panel discussion for parents of LGBTQ+ children and a presentation led by a Chicago LGBTQ+ resource center about showing pride and allyship beyond the month of June.
- S&C Connects hosted an **in-person and virtual panel** where five team members who started their S&C journeys as interns talked about their experiences and shared advice with the 2022 cohort of interns and co-op students.
- In the fall, the Women's Empowerment Group (WEG); the Inclusion, Diversity, Engagement & Awareness (I.D.E.A.) Group; and S&C Connects co-hosted **EARTH-tober Fest** with the Power Systems Solutions team. The event, attended by 155 team members, brought 10 sustainability-minded companies to S&C's Chicago campus to educate team members about sustainability topics.
- WEG planned activities for each week during **Women's History Month**, including a virtual celebration, the launch of a virtual Gratitude Board, and an Allyship at Work presentation co-hosted by Spectrum.
- S&C Connects held five **Executive Fireside Chats** throughout the year to offer team members the opportunity to get to know senior leadership on a more personal level.
- WEG continued its **Women's Development Webinar Series**, which provides team members with tools to support their professional development, and the Getting to Know You Series, which aims to help S&C team members discover how various roles collaborate with other departments and contribute to the big picture of S&C's success, explore the different roles of women at S&C, and get to know their female colleagues better.
- Affinity groups also held **camaraderie-building events** throughout 2022, including group visits to local museums, baseball games, city attractions, and barbeques.



**In 2022, S&C affinity group events accounted for more than \$11,000 in donations to nonprofits.**

## Global Affinity and Activity Groups



### Inclusion, Diversity, Engagement & Awareness (I.D.E.A. Group)

Promotes and maintains a diverse and inclusive work environment



### S&C Connects

Helps young team members realize their voices as S&C's next generation and empowers them to connect with S&C's people, business, culture, and history



### S&C Gives

Empowers team members to support causes, builds awareness of opportunities, and cultivates a volunteer network of philanthropically passionate S&Cers



### S&C Toastmasters

Provides a supportive and positive learning experience in which members are empowered to develop communication and leadership skills, resulting in greater self-confidence and personal growth



### Spectrum

Fosters a safe, supportive environment for LGBTQ+ team members, advocates for inclusive policy, and educates team members about the LGBTQ+ community and meaningful allyship



### Women's Empowerment Group (WEG)

Provides all S&C women with opportunities to champion personal development and success in open, supportive environments

## Regional Affinity and Activity Groups



### S&C Franklin

#### Franklin Connections

Encourages all S&C Franklin team members to share, engage, and learn through an inclusive environment in the areas of philanthropy, personal development, and social activities



### S&C Toronto

#### Canadian Women's Group

Facilitates professional development, encourages team members to exceed their own expectations through community empowerment, and creates a safe space by providing tools to enhance well-being and promote self-discovery



#### Future Grid Group

Promotes networking, career and personal development, and social activities for Canadian team members who are new in their careers



#### Wellness Action Team Toronto

Inspires team members to take charge of their own personal health and wellness through the Four Pillars of Wellness—Mental, Physical, Social, and Financial Wellness

## Awards and Recognitions

Third-party workplace recognitions serve as testaments to S&C's commitment to team members and inspire us to continue to enhance our efforts. Honorees are selected based on anonymous feedback from team members about company efforts to create and sustain a positive, productive, and inclusive culture.

**2022 Top Workplaces USA:** S&C was named a top employer by Top Workplaces USA for the third year in a row. S&C also received four Culture Excellence awards through the Top Workplaces USA program in the following categories: Innovation, Compensation and Benefits, Leadership, and Purpose and Values.



**2022 Manufacturing Top Workplaces:** For the second year in a row, S&C was recognized as a leading employer in the manufacturing industry by Top Workplaces USA.



**2022 Chicago Top Workplaces:** For the fourth year in a row, the *Chicago Tribune* named S&C one of the top 20 best places to work among large employers in the Chicago area.



**2022 San Francisco Top Workplaces:** The *San Francisco Chronicle* named S&C one of the best places to work in the San Francisco Bay Area for the first time.



### S&C Leads “Powered by Diversity” Luncheon Panel at DISTRIBUTECH

S&C was proud to be a 2022 sponsor of DISTRIBUTECH International, the leading annual transmission and distribution event for utilities, technology providers, and industry leaders. At the “Powered by Diversity” luncheon, Anders Sjoelin, our president and CEO, provided introductory remarks, and Felicia Kohlenberger, our chief human resources officer, moderated a panel discussion with four leading DE&I advocates in the electrical industry. The event concluded with the unveiling of the Powered by Diversity award, which was given for the first time in 2023 to an electric utility that demonstrates outstanding achievements in the areas of diversity, equity, and inclusion in the workplace.

## Well-Being and Work-Life Balance

S&C understands when team members are empowered to bring their whole selves to work, everyone shares in the collective success of a highly engaged and connected workforce. We embrace a holistic view of team member well-being, including mental health, physical health, and work-life balance, to support our team members' varied needs at work and at home.

### Embracing New Ways of Working

COVID-19 significantly changed the way we work. We encourage team members to lead with empathy, both for themselves and each other. We prioritize the health, safety, and well-being of our team members by maintaining our COVID-19 protocols. In 2022, we continued to perform health and close-contact screenings, recommend social distancing, and provide personal protective equipment. S&C also followed all federal and local guidelines for community risk level protocols and sent regular, updated communications about advisory statuses, especially when face coverings were recommended.

Our Canadian location introduced a workplace management software program that included a hoteling component to maximize space use for hybrid team members and installed marketplace vending machines to offer contactless cafeteria options. In our Asia-Pacific region, the All-Roles Flex policy was updated to allow team members more flexibility to work from home.

### Supporting Team Member Well-Being

S&C dedicates resources to supporting all team members in prioritizing their mental health and overall well-being. S&C's AMP UP! plan helps team members embrace a healthy lifestyle through benefits such as free, confidential health screenings; health coaching; fitness programs; weight-management programs; and smoking-cessation resources. Through its unique offering of integrated clinical, educational, and activity-based resources, AMP UP! gives our diverse team member population access to appropriate health care personalized to each individual. Our Employee Assistance Program also provides team members with various tools and resources, including confidential counseling sessions with licensed professionals.

In 2022, we also launched Virgin Pulse GO, our first external health and well-being program, to our team members in Asia-Pacific, Europe, and the Middle East. Virgin Pulse GO is a personalized, all-in-one health and well-being platform that offers daily tips, activities, mini challenges, digital health tools, and health assessments. The platform also offers a community of support and encourages our team members to connect through a shared commitment to good health and wellness.



## Compensation and Benefits

S&C is committed to providing exceptionally competitive benefits and compensation to attract and retain strong talent. Our approach to total rewards supports the personal and financial well-being of team members and their families through comprehensive compensation and benefits packages.

S&C's U.S. compensation and benefits packages include:

- Market-competitive salaries and merit-based supplemental pay
- Paid time off and a paid, week-long, year-end shutdown
- Retirement and financial planning tools, including a combined 401(k) retirement savings program and Employee Stock Ownership Plan (known as a KSOP)
- Health benefits, flexible spending accounts, and health savings accounts
- Parental leave, fertility and adoption expense reimbursement, and childcare referral services
- Educational reimbursement of up to 100 percent of tuition and select related fees
- Professional development support to attend workshops, conferences, and training sessions
- Wellness programs, including fitness club membership subsidies
- Life insurance benefits and short- and long-term disability protection

In addition, S&C conducts an annual pay-equality analysis that examines the total compensation of all U.S. salaried team members and reviews performance metrics and comparable salary ranges.

We also continue to assess our offerings to ensure we are meeting the needs of all team members, including benefits offered outside of the U.S., to attract and retain top talent internationally.

**In the U.S., S&C is 100 percent employee-owned, providing team members with the opportunity to impact our success and share in the value they help create.**

### Support for Continuous Learning

S&C invests in our team members across the globe by empowering them to seek educational opportunities and providing tuition reimbursement and educational financial assistance. In 2022, we supported our team members in the following ways:

- **U.S.:** \$585,120 in education reimbursement
- **Canada:** CA\$52,235 in education reimbursement and CA\$82,209 in additional training support
- **Europe and Middle East:** £10,608 in training support
- **Asia-Pacific:** AU\$30,300 in educational financial assistance

In the last three years, S&C has provided the equivalent of \$2.25 million in tuition reimbursement, training support, and educational financial assistance to its team members.

## Social Impact and Community Engagement

Each year, S&C team members invest considerable time and resources into supporting the communities in which we live and work. Through our team member-led Annual Giving Campaign, we provide financial support to nonprofit organizations and causes that align with our values and are important to team members. In 2022, the campaign raised more than \$420,000 to support organizations, including CHC: Creating Healthier Communities, Feeding America, Misericordia, and United Way. The campaign, which combines team member donations with a 150 percent match by the S&C Fund, has raised nearly \$2.5 million since 2016.

Our team members led numerous initiatives in 2022:

- More than \$9,200 was raised, with a matching gift from the S&C Fund, in support of **Special Olympics Chicago**, including a group of S&C team members who participated in the 22<sup>nd</sup> annual Polar Plunge.
- S&C Connects and S&C's Benefit Services coordinated the participation of 75 team members in the **J.P. Morgan Challenge**, with proceeds donated to a local nonprofit.
- The I.D.E.A. Group led a **back-to-school** drive, collecting and distributing 150 backpacks containing supplies to local schools.
- WEG supported **Between Friends**, a nonprofit organization dedicated to preventing domestic violence, by donating \$445 to Between Friends' Holiday Gift Card Drive and continuously collecting and donating travel-size toiletries for Between Friends' clients.

- S&C Connects and S&C's Benefit Services co-organized participation in **Bike the Drive**, benefiting the Active Transportation Alliance, a nonprofit advocacy organization working to improve conditions for walking, biking, and public transit. S&C had 23 team members who participated in this event.
- Franklin Connections and S&C Gives led blood drives benefiting the **American Red Cross**, in which 103 donors participated.
- The Wellness Action Team Toronto (WATT) affinity group organized a **Holiday Giving Campaign**, which provided team members an opportunity to donate toys for children in need and to volunteer at Holiday Helpers Charity, which supports low-income families in the Toronto area.
- WATT coordinated the **Toronto Corporate Summer Run** to support The Centre for Addiction and Mental Health and organized a Heatwave Beach Volleyball event to raise money for the Sick Children's Hospital.



Additionally, the S&C Fund provides financial support to local and national nonprofit organizations in support of STEM (science, technology, math, and engineering) education, the arts and humanities, mental health services and support, domestic violence survivor resources, natural disaster relief, and basic human needs. In 2022, S&C distributed more than \$900,000 to philanthropic causes, including:

- \$200,000 in continued support of **Adler Planetarium**'s teen education programs
- \$50,000 to the **American Red Cross** to support disaster relief in Florida and Puerto Rico, and a \$25,000 donation to the American Red Cross and its partners in the International Federation of Red Cross and Red Crescent Societies and International Committee of the Red Cross to provide humanitarian relief in Ukraine
- \$20,000 to Chicago's **Jane Addams Resource Corporation**, an organization dedicated to supporting communities by providing low-income adults with manufacturing education and job training opportunities

We support organizations and initiatives that promote equity with educational access, especially those that help students gain exposure to science and technology. In Australia, S&C has supported **Monash University's Spark Engineering Camp** for more than six years. As part of the program, which addresses the barriers students from marginalized communities face in pursuing STEM education and careers, our team members hosted 13 university mentors and 40 high school students for half a day in our Customer Experience Center.

S&C's Asia-Pacific region has also sponsored **Women Engineers at Monash (WEM)** since 2020. WEM supports female-identifying students studying engineering at Monash University. The club provides a support network and sense of community for members through industry, social, and outreach events designed to help members with university and early professional life.





## CUSTOMER-CENTERED INNOVATION

We develop innovative and resilient solutions to navigate the energy transition and help our customers keep the power on around the world.

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## Customer-Centered Innovation

S&C supports customers in advancing an intelligent and resilient grid that adapts and responds to challenges posed by severe weather events and enables clean, reliable energy. We keep customers at the center of our innovation process and collaborate to verify the usability of product designs and capture performance feedback. Our customers choose S&C because of our technology, our singular focus on solving problems on the grid, our relationships, and our history of innovation.

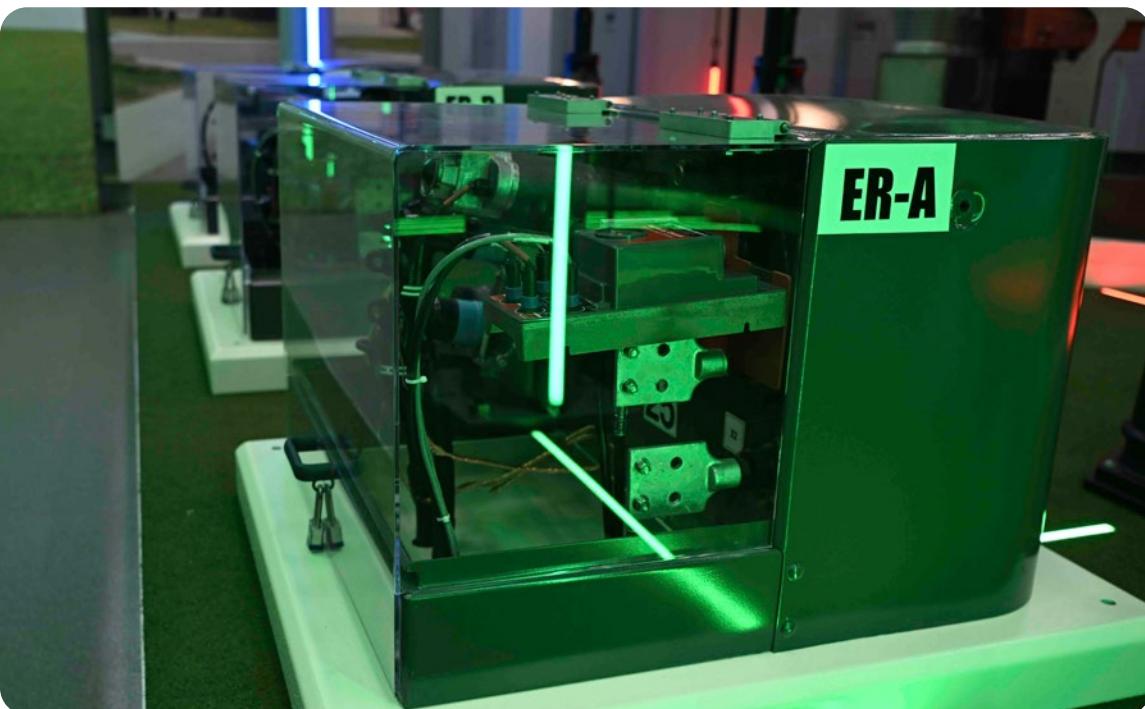
## Product Innovation and Sustainability

More than a century ago, S&C transformed the delivery of electricity with the invention of the high-voltage Liquid Power Fuse. Today, as the world faces extreme weather events and demand grows for electricity, we continue to innovate and transform the grid, ensuring reliable and resilient power for homes, communities, and critical infrastructure around the world.

As a technology leader, S&C sees research and development as foundational to our success. Our Advanced Technology Center (ATC) enables us to accelerate the development and delivery of our innovations.

The ATC includes the Nicholas J. Conrad Laboratory, the largest manufacturer-owned, short-circuit testing laboratory in North and South America. With two 850-megawatt, electrical short-circuit test generators, the laboratory provides S&C with the ability to test our innovations, in our own facilities, across the full range of voltages and currents they could encounter in the field.

The LEED Gold-certified, 43,000-square-foot center also includes space for independent quality and performance verification testing. The ATC is also third-party certified to the ISO 17025:2005 Standard by the American Association for Laboratory Accreditation for eight different testing categories.



### S&C's Sustainable Product Life Cycle Considerations

- Designing with consideration for the environmental impact of products through their full life cycle
- Minimizing the weight, size, and materials used in products for increased efficiency
- Using materials that enhance the recyclability and circularity of our products, enabling our commitment to become landfill-free and allowing customers to easily recycle end-of-life products
- Avoiding and minimizing hazardous substances where possible and fully adhering to all environmental regulations
- Developing solutions without sulfur hexafluoride ( $SF_6$ ) and creating hermetically sealed designs that reduce handling and emissions of  $SF_6$
- Designing fully recyclable packaging made with recycled content and eliminating use of expandable foam, urethane foam, or polystyrene foam
- Providing end-of-life services, including the recapture and recycling of  $SF_6$  from applicable products

## New Product Development Initiatives

We continuously strive to advance the innovation and sustainability of our products and made notable progress toward this end in 2022.

- Using **lean manufacturing principles**, we launched a program to reduce low-value, low-risk activities and deliverables. This includes work by our product integration team to design for efficiency, scale, and cost reduction in our manufacturing processes.
- We established foundational product development design guidelines and are working on a new set of requirements surrounding **design for sustainability**. Sustainable design considerations include maintaining a life cycle design approach, keeping a low carbon and greenhouse gas footprint, minimizing waste and pollution, increasing overall circularity, avoiding hazardous substances, and promoting resource conservation and sustainable packaging.



### New Product Design Guidelines in Action

S&C designs products that foster improved safety and sustainability, and we dedicate resources to these initiatives to build upon our culture of Responsible Stewardship. In Canada, S&C team members recently identified several opportunities to transition to lead-free materials. For example, these team members developed a method to eliminate the use of lead castings in our Alduti-Rupter® Switches and regulator bypass switches.

Our Canada and Chicago operations also implement initiatives to reduce part counts in products, reuse existing components where possible, consolidate parts across product lines, and eliminate custom-made parts in favor of commercially available options.

## Product Safety and Quality

Quality design and trusted manufacturing have been central to S&C's philosophy throughout the company's history. We engineer quality, reliability, and durability into every S&C product.

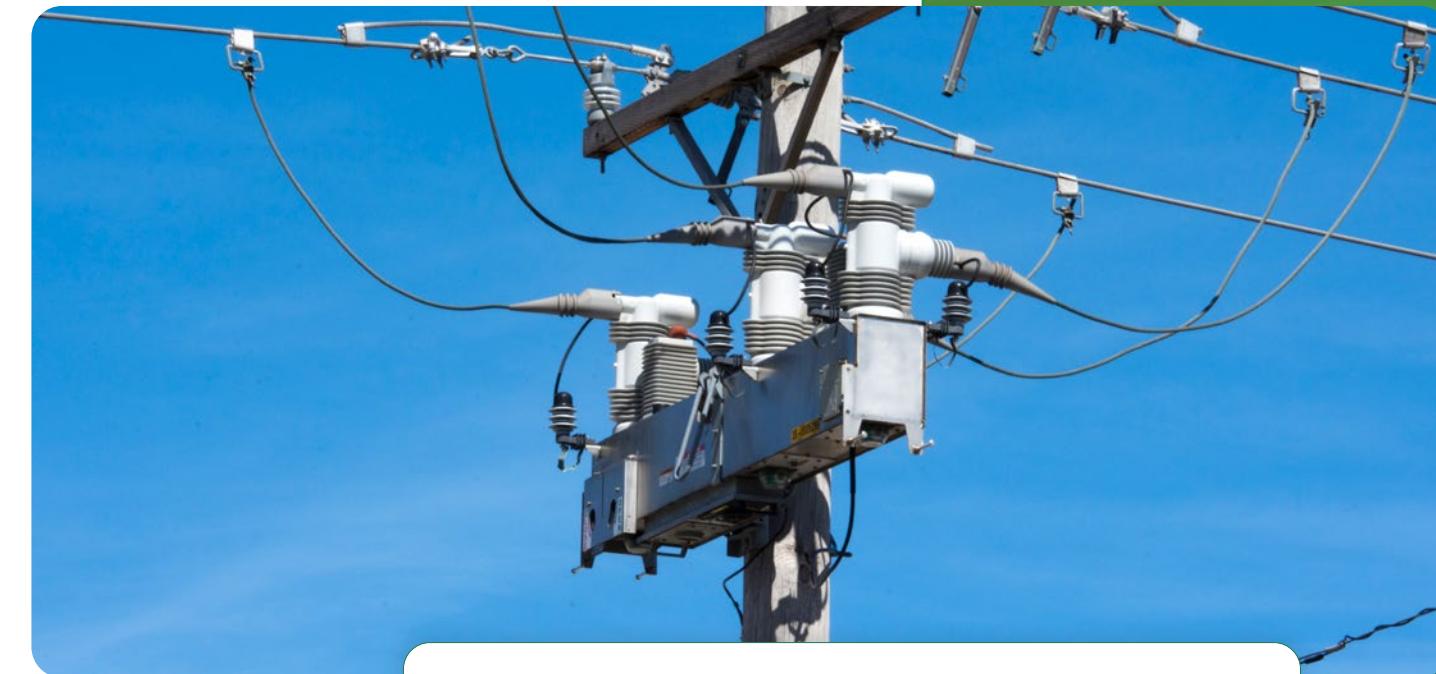
S&C's operations follow recognized [quality processes](#) and use feedback mechanisms to help ensure products meet customers' needs and expectations. We monitor all customers' experiences through a quality management system and are committed to a continuous improvement mindset in all we do. All S&C manufacturing entities globally are registered and certified compliant with the ISO 9001:2015 quality management system standard.

### Global Quality Team

Our Global Quality team collaborates and proactively engages with our Product Development team, allocating dedicated resources to new product launches. S&C's Advanced Quality Planning processes ensure we design with quality, reliability, and durability in mind as new innovations come into production.

The Advanced Quality Planning processes include steps to ensure product and process requirements are incorporated into product designs, including quality and sustainability requirements in accordance with ISO 9001 and ISO 14001, and tools to directly link the voice and needs of our customers to actionable design specifications. Our teams engage with customers, suppliers, and internal experts to drive process and manufacturing design, and embed risk-based analytical tools such as Failure Modes and Effects Analysis as part of this process. S&C's rigorous processes drive consistent manufacturing quality and on-time delivery to customers.

Our continuous improvement quality strategy includes process controls, error-proofing, and confirmation auditing. A proactive focus on preventing defects, as opposed to solely detecting and eliminating them, elevates the importance of quality checks and planning.



### Bandera Electric Cooperative

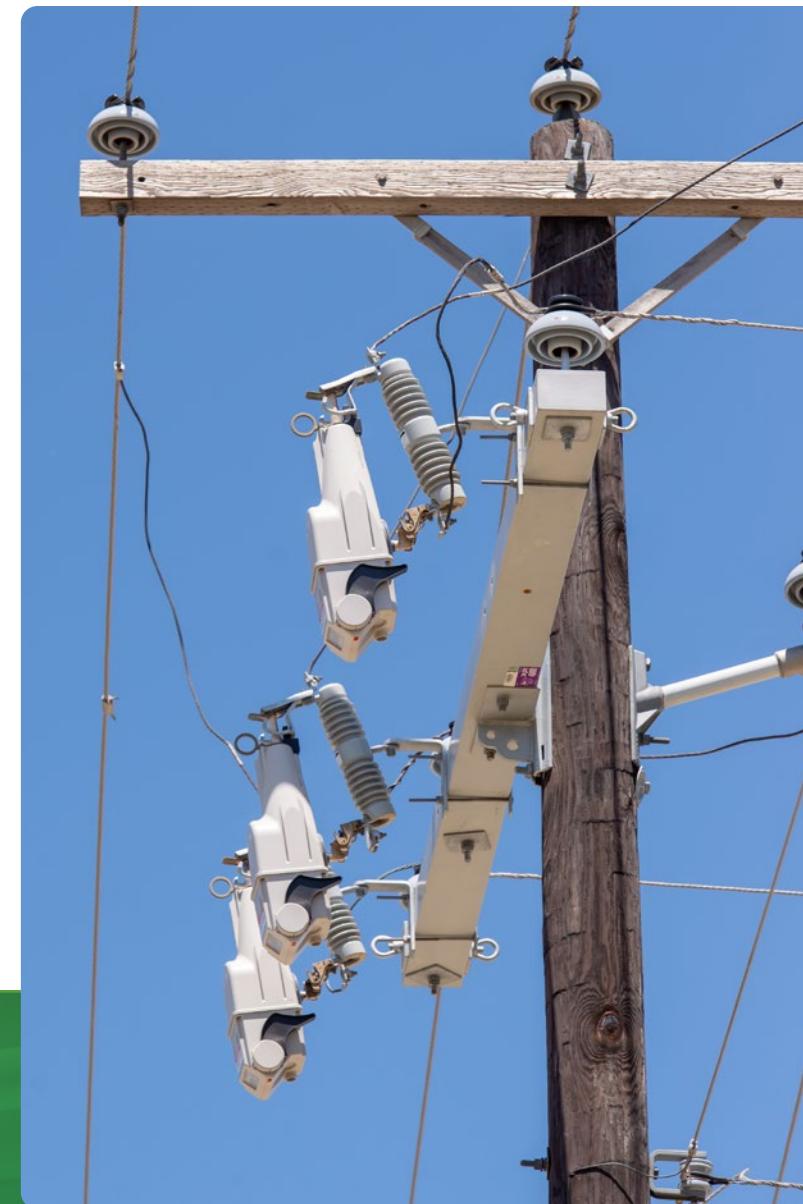
The Bandera Electric Cooperative (BEC) in Bandera, Texas, chose to partner with S&C because of our expertise with fiber networks and our systemwide solutions that advance reliability from feeders to the grid edge. The utility selected the IntelliRupter® PulseCloser® Fault Interrupter to leverage its existing fiber network and further its grid-modernization efforts to meet the electric demands of Bandera's growing population. BEC also added TripSaver® II Cutout-Mounted Reclosers in some of the most remote areas of its system to avoid temporary outages and improve reliability for its customers.

## Products Designed for Resilience and Safety

Severe weather is becoming more frequent and creating additional stress on the grid. The growing dependence on reliable electricity, combined with the trends of the energy transition, requires accelerated investment and additional intelligence to improve grid resilience. S&C has developed system-level solutions our customers require to make the grid more intelligent, reliable, and resilient.

Our IntelliRupter® Fault Interrupter enables low-energy fault-testing on feeders, and our TripSaver® II Recloser brings fault-testing to the lateral level, providing advanced, end-to-end protection on the grid. These innovations keep temporary faults from becoming sustained outages, which is critical during storms to mitigate unnecessary work, keep crews out of harm's way, and ultimately restore power faster to homes and critical infrastructure. Preventing temporary faults from becoming sustained outages also eliminates unnecessary utility truck rolls, which effectively cuts down on vehicle fuel emissions.

In 2022, we announced our newest innovation, the VacuFuse® II Self-Resetting Interrupter, which is the latest lateral solution for grid-edge protection. The VacuFuse II interrupter brings fault-testing to the edge of the grid and mitigates temporary outages, ensuring greater reliability for customers and fewer truck rolls for utilities.

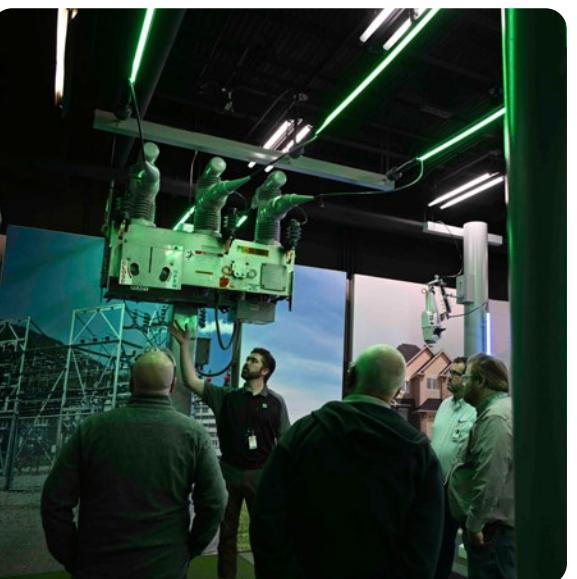


## Product Life Cycle

S&C drives positive environmental outcomes throughout our products' life cycles, from design through manufacturing, operation, modification, and end of life. With product safety and performance serving as our primary objectives, we consider a robust set of sustainability factors in our products and processes, focusing on ways to minimize energy and resource use; reduce the use of hazardous substances and greenhouse gas (GHG) emissions; minimize waste; enhance recyclability; and allow for easy repair, upgrading, and disassembly. We have also begun investigating the carbon footprints of our products to better understand where we have opportunities to improve them as part of our environmental sustainability strategy.

By leveraging our Sustainable Product Life Cycle Considerations, we strive to design products with minimal impact to the environment. This has a direct impact on the GHG emissions generated in our production, including scope 1 (direct GHG emissions that occur from sources controlled or owned by an organization), scope 2 (indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling), and scope 3 (all indirect emissions not included in scope 2 that occur in our value chain, both upstream and downstream of an organization). Please see the "Operational Excellence" section on [page 52](#) for more information on S&C's GHG emissions.

In 2022, our operations in Latin America started an environmental product declaration (EPD) and certification process to support a customer request. An EPD is a comprehensive, internationally harmonized report created by a product manufacturer that documents the ways in which a product, throughout its life cycle, affects the environment. This process aligns with our sustainability strategy and our efforts to find ways to lengthen the life cycles of our products.



## Customer Focus and Support

Our Power Systems Solutions (PSS) team of more than 150 team members globally, including system engineers, project managers, technical support, and field service technologists, offers customers full life cycle support personalized to their needs. This support includes system planning of grid-modernization programs, developing implementation plans, commissioning, maintenance, and end-of-life upgrades and/or replacements. The team provides 24/7 phone support to troubleshoot issues, as well as training and educational opportunities to help customers ensure their teams—and their grid—are ready for the future as they navigate the energy transition.

Our PSS team members take pride in supporting customers when they need it most. In critical situations, we maintain close contact with our customers to support their needs and expedite any required parts to assist in restoration efforts. In addition to advance preparation for annual storm seasons, S&C takes extra steps to increase our production capacity during severe weather events to support our customers' emergency restoration efforts.

Additionally, PSS offers maintenance services that increase the longevity of our products to enable circularity and have a direct impact on environmental sustainability.



## PSS Full Life Cycle Program

### Analytical Studies

We offer analytical studies that support system planning, reliability, and protective-device coordination. Using state-of-the-art technology, modeling, and software, our teams apply their knowledge throughout all phases of the project life cycle, including electrical equipment recommendations and system analysis.

### Engineering and Project Management

We provide electrical and physical design packages in a wide range of complexity and voltage classes.

### Cybersecurity

Energy systems consist of interconnected subsystems that require close coordination with several stakeholders to ensure security is properly designed, implemented, and maintained. We offer a robust suite of cybersecurity assessment services to lead the holistic network and system security integration.

### Field Services and Technical Support

We provide field services to help customers with the commissioning, programming, training, inspection, testing, preventive maintenance, refurbishment, and retrofitting of our products with a focus on life extension. These services also include the reclamation of end-of-life products.

### Supporting Relief Efforts After Hurricanes Fiona and Ian

In 2022, Hurricane Fiona swept over Puerto Rico, causing widespread flash flooding and power outages across the island. Ten days later, Hurricane Ian made landfall in Florida and damaged buildings, bridges, and causeways, knocking out power for more than 2 million people. S&C teams across the company stepped in to help the impacted utilities and communities begin their recovery efforts.

The Commercial and Production Operations teams quickly mobilized to connect with customers, assess their needs, and provide crucial product support to replace or repair damaged equipment. Meanwhile, the Production team increased production of pad-mounted gear for utility customers' power-restoration crews, and the PSS service team organized smaller support teams to assist our utility customers with assessing damage in affected areas.

S&C's efforts supported the restoration of 99.8 percent of power users impacted by Hurricane Ian just eight days after the storm exited Florida, and 97 percent of those impacted by Hurricane Fiona three weeks after the storm made landfall in Puerto Rico.



## Connecting Renewable Energy to the Grid

S&C's products help customers integrate distributed energy resources (DERs) in the electric grid. We conduct power system studies, which are required by distribution utilities and transmission providers, to evaluate the impact of adding renewable energy.

PSS also designs and commissions microgrids that use renewable energy sources. Our GridMaster® Microgrid Control System is key to optimizing renewables while maintaining a reliable grid.

As more DERs connect to the grid, they create the potential for bidirectional power flow and vastly different fault contributions, which complicates overcurrent protection. Customers regularly use products such as the IntelliRupter fault interrupter and our Vista® Underground Distribution Switchgear offerings to facilitate the interconnection of DERs to the distribution system. These devices successfully protect the electric system while connecting DERs to the wider distribution grid. With no complex communications or custom programming required, the IntelliRupter fault interrupter accomplishes this by using integrated intelligence to permit DER interconnection only when a DER is synchronized with the distribution grid, which makes DER integration simpler and more feasible for electric utilities.

## Reducing the Impact of SF<sub>6</sub>

S&C's commitment to sustainable practices includes lowering the environmental impact of our products that rely on SF<sub>6</sub> gas. SF<sub>6</sub> has been commonly used in electrical equipment since the 1950s but is a greenhouse gas with a high global warming potential, making it challenging to manage. Our customers face growing regulatory and social pressures, as well as expectations from the Environmental Protection Agency, the California Air Resources Board, and investors, to manage this risk.

S&C provides SF<sub>6</sub> removal and recycling solutions to help our customers meet their sustainability goals and compliance requirements. In addition, our product portfolio includes several innovative solutions that do not depend on SF<sub>6</sub> gas. This includes Vista® SD and Vista® Green Underground Distribution Switchgear and the Scada-Mate® SD Switching System.



## S&C's Value Proposition for Recycling SF<sub>6</sub> Gas and Equipment

- Environmentally friendly service
- SF<sub>6</sub> gas reclaimed and recycled
- Sustainable equipment disposal
- Full documentation for compliance reporting
- Full, but flexible, service options for work location and customer responsibilities

In 2022, we recovered five Vista switchgear units at the end of their life cycles from a U.S. customer and reclaimed and recycled the SF<sub>6</sub> gas and metal content. This was the start of our full product life cycle program, which will officially launch in 2023.





## OPERATIONAL EXCELLENCE

We embrace our principle of Responsible Stewardship to demonstrate our commitment to sustainability in all areas of our operations and solutions.

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- [60 Water Conservation](#)
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## Operational Excellence

The electrical industry can help protect our planet and mitigate the impacts of climate change by lowering the GHG emissions associated with electrical systems and enabling the transition to cleaner energy sources. S&C embraces the opportunity to be part of the solution by continuously improving our operations and delivering on our environmental commitments.

Our operations are certified to the International Organization for Standardization (ISO) 14001:2015 Environmental Management System standard, including all U.S. manufacturing facilities (recertified in 2022) and our four global locations. We also follow green building standards, with three of our buildings in the U.S. certified with the Leadership in Energy and Environmental Design (LEED) building framework.

Driven by our value of Responsible Stewardship, we manage the environmental impact of our business activities by taking steps to decarbonize our operations, divert our waste from landfills, and responsibly manage the use of natural resources.

## Climate Change and Decarbonization

S&C works to use more environmentally friendly practices in our operations and minimize our GHG emissions. Regular sources of GHG include carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), and high global warming potential (GWP) gases, such as hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>), and nitrogen trifluoride (NF<sub>3</sub>). We manage our environmental impact responsibly through industry partnerships, continuous improvements in our operations, diligent reporting efforts, and prescriptive product-development guidelines.

In 2022, we advanced our decarbonization strategy by creating a new position dedicated to environmental sustainability and related strategy development efforts across our enterprise. This will aid in our ambitious effort to formalize our decarbonization goals, starting with the required planning and investment needed for its success.

Efforts that support this ambition include:

- Continuing to invest in new technology, process, and capital improvements to reduce applicable GHG emissions
- Adhering to strict quality standards, monitoring, and training to minimize applicable GHG emissions
- Seeking ways to optimize energy efficiency and reduce energy and fuel consumption
- Continuing to purchase [renewable energy certificates \(RECs\)](#) for use at all our U.S. locations in coordination with the [U.S. Environmental Protection Agency's Green Power Partnership](#), as well as RECs for total electrical use at our global locations, including Canada, Mexico, and China
- Identifying additional opportunities to promote renewable energy generation, the use of electric vehicles (EVs), and electric charging stations at our global manufacturing sites
- Defining short-, medium-, and long-term targets to continue reducing our own GHG emissions (scope 1 and 2)
- Evaluating GHG emissions from our value chain (scope 3) to develop a baseline and strategy

### Giving Back to the Environment

Our social and community impact efforts reflect our commitment to our overarching sustainability initiatives. In 2022, S&C purchased 3,600 seedling trees—one for every team member at S&C across the globe—in honor of the 150<sup>th</sup> anniversary of the National Arbor Day celebration in the U.S. The seedling trees were planted in the Superior National Forest in northern Minnesota.

We also partnered with the Field Museum Keller Science Action Center to plant a native rain/pollinator garden at the Arlys Conrad Memorial Park near our Chicago site. These initiatives help us continue to live out our mission of improving our environment in any way that we can.



## Environmental Impact Commitment

S&C's approach is outlined in our [Environmental Policy Statement](#), which highlights four key commitments.



We work to **minimize waste and implement pollution-prevention strategies** while striving to protect the environment and use more sustainable sources of energy, water, and materials.

We continually **improve environmental performance** by setting, reviewing, and achieving environmental objectives and targets as applicable new knowledge and technology become available.



We are devoted to **being a good citizen and neighbor** in the communities in which we operate, which includes taking meaningful steps to decarbonize our operations.

We constantly strive to **minimize and eliminate waste** where we find opportunities, limit our emissions of greenhouse gases and volatile organic compounds, and keep solid waste out of landfills.

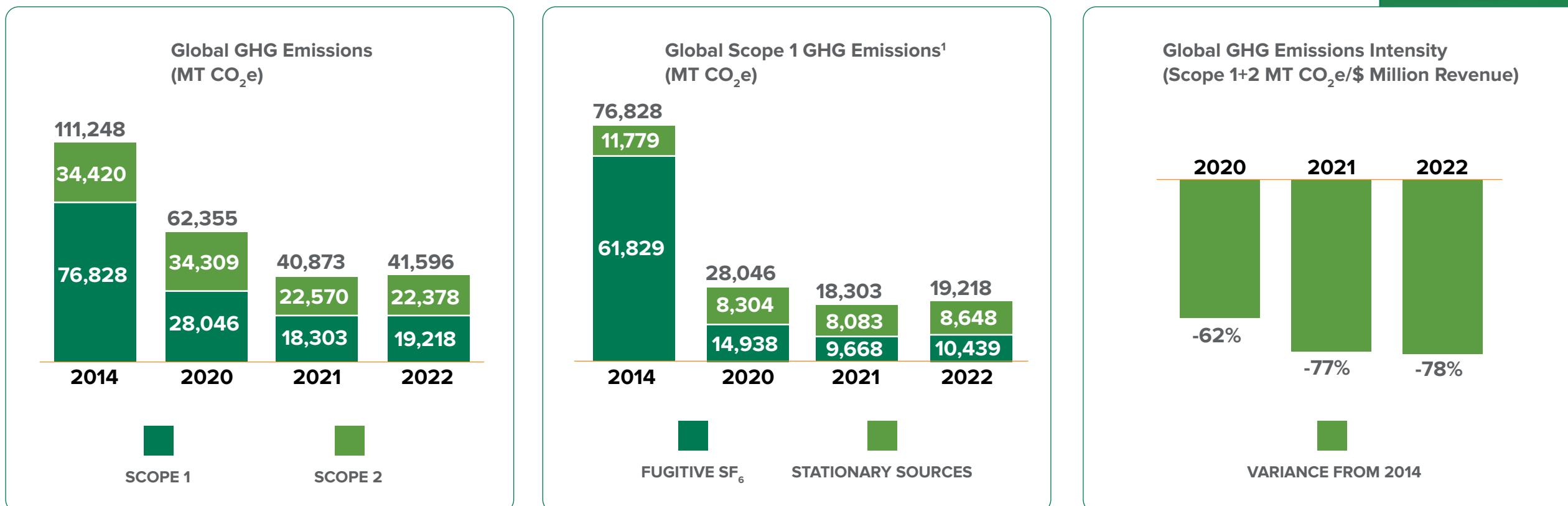
## Reducing Our GHG Emissions

S&C completed its first GHG emissions inventory in 2014, including scope 1 (direct GHG emissions that occur from sources that are controlled or owned by an organization) and scope 2 (indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling) sources. Although scope 2 emissions do not physically occur at the facility where they are generated, they are accounted for in an organization's GHG inventory as a result of the organization's energy use.

While our manufacturing footprint has grown since our baselining efforts in 2014, our emissions have significantly decreased. We have achieved this reduction through concentrated initiatives to reduce fugitive emissions of SF<sub>6</sub>, promote energy efficiency, and reduce our fuel consumption. Since 2014, we have reduced our scope 1 and 2 emissions by 75 percent and 35 percent respectively. Since 2014, the intensity of our total global emissions has also considerably decreased. For every \$1 million of revenue made in 2022, we emitted 78 percent less GHG than in 2014.

Most of our scope 1 emissions occur at our Chicago and Toronto facilities. This is attributed to our use of SF<sub>6</sub> gas and stationary sources (boilers, heaters, and ovens) that run on natural gas and propane at these locations. Emissions related to refrigerants are minimal and are primarily related to equipment maintenance. Since 2014, we have reduced our SF<sub>6</sub> emissions by 83 percent and our stationary source emissions by 27 percent.

## Scope 1 and 2 Global GHG Emissions



<sup>1</sup>Fugitive SF<sub>6</sub> and stationary source emissions presented in this chart may not add up precisely to the totals provided, as smaller sources included in the totals are not shown in this chart.

A third-party consultant calculates our emissions in accordance with the globally recognized [Greenhouse Gas Protocol](#). For the first time, in 2022, our scope 1 and 2 emissions were audited and [certified](#) by a third-party auditor.

We are committed to following best practices and responding to stakeholder requests. As part of that, we complete CDP's annual Climate Change survey. [CDP](#) (formerly known as the Carbon Disclosure Project) is an international not-for-profit that runs the global disclosure system for organizations to manage their environmental impacts. We have reported to the CDP since 2018. In 2022, we achieved a C score (based on 2021 data) for the second year in a row. We will continue to use this as a resource for performance improvement.

In 2020, we began estimating our scope 3 emissions, which include all indirect emissions (not included in scope 2) that occur in our value chain, including both upstream and downstream emissions. Scope 3 emissions are usually the largest, and most difficult to manage, source of emissions. Our estimates include six of the total 15 categories defined by the Greenhouse Gas Protocol: business travel, employee commuting, fuel- and energy-related activities, purchased goods and services, upstream transportation and distribution, and waste generated in operations.

We understand the urgency to address climate change and GHG emissions and have initiated cross-functional efforts and significant investments to create a decarbonization goal for S&C. Developing and achieving this goal will include evaluating our growth plans, assessing historical efforts, and implementing new initiatives to positively impact our decarbonization journey.

In 2023, S&C will work to develop a more accurate scope 3 baseline, which includes incorporating other applicable categories and engaging with suppliers to obtain their actual GHG emissions. As we work toward setting a companywide decarbonization goal, we will extend our third-party audits of scope 1 and 2 emissions to include our scope 3 emissions once a baseline is established.

## Decarbonization Initiatives

Total scope 1 emissions generated in 2022 were 19,218 metric tons of CO<sub>2</sub> equivalent (MT CO<sub>2</sub>e), an increase of 5 percent from 2021. This increase occurred because of a higher level of product handling prior to shipment, leading to additional SF<sub>6</sub> fugitive emissions. In 2022, S&C teams identified the root cause for this and implemented a solution to minimize the issue.

Total scope 2 location-based emissions generated in 2022 were 22,378 MT CO<sub>2</sub>e, a slight decrease of 1 percent from 2021 attributable to our continuous energy-efficiency efforts.

While our GHG emissions increased in 2022, we continued to work on several initiatives to reduce our carbon footprint, including:

- **Testing new SF<sub>6</sub> fill and recovery systems** across production facilities to improve efficiency and minimize fugitive emissions (expected commissioning in 2023, with actual impact to our emissions in 2024)
- **Investigating the transition from virgin to recycled SF<sub>6</sub>** in our production operations and aligning with internal stakeholders and customers to drive adoption to enable circularity
- **Extending our 10-year partnership with the Low Carbon Swansea Bay Group** in the UK to gather ideas from fellow members and better understand the environmental policies affecting our business
- **Expanding our participation in the U.S. Manufacturers Alliance for Productivity and Innovation (MAPI)** by joining its Sustainability Council with global manufacturing companies to share best practices, benchmark our initiatives, and network with peers
- **Expanding our participation in the U.S. Sustainable Supply Chain Alliance (SSCA)** through our selection to join its supplier advisory board with a two-year term starting in 2023
- **Continuing to promote energy efficiency**, as outlined in the following section

## ■ Energy Efficiency

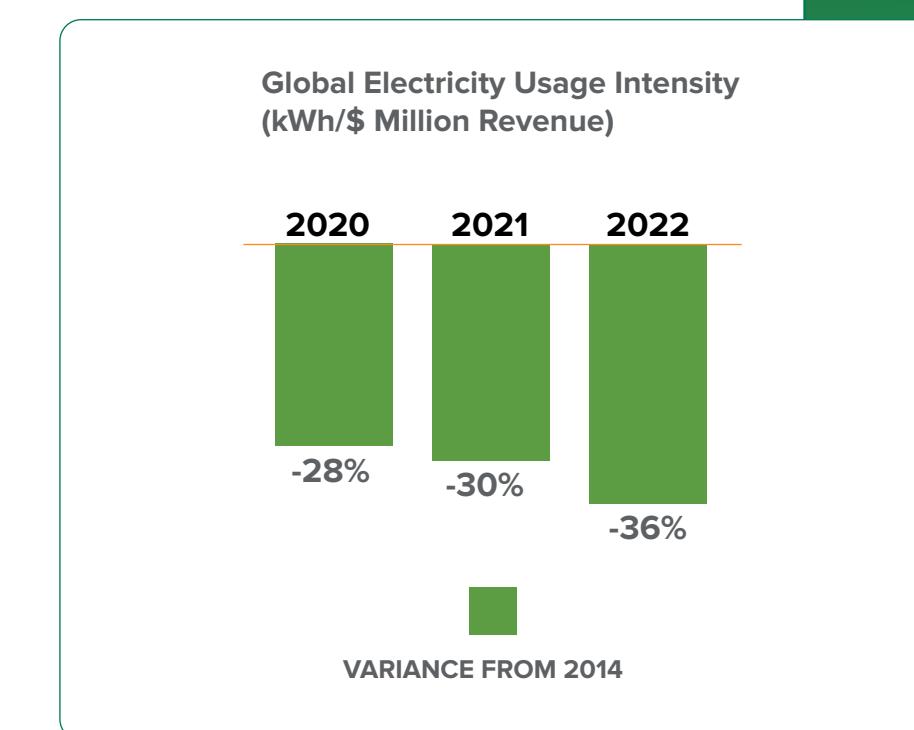
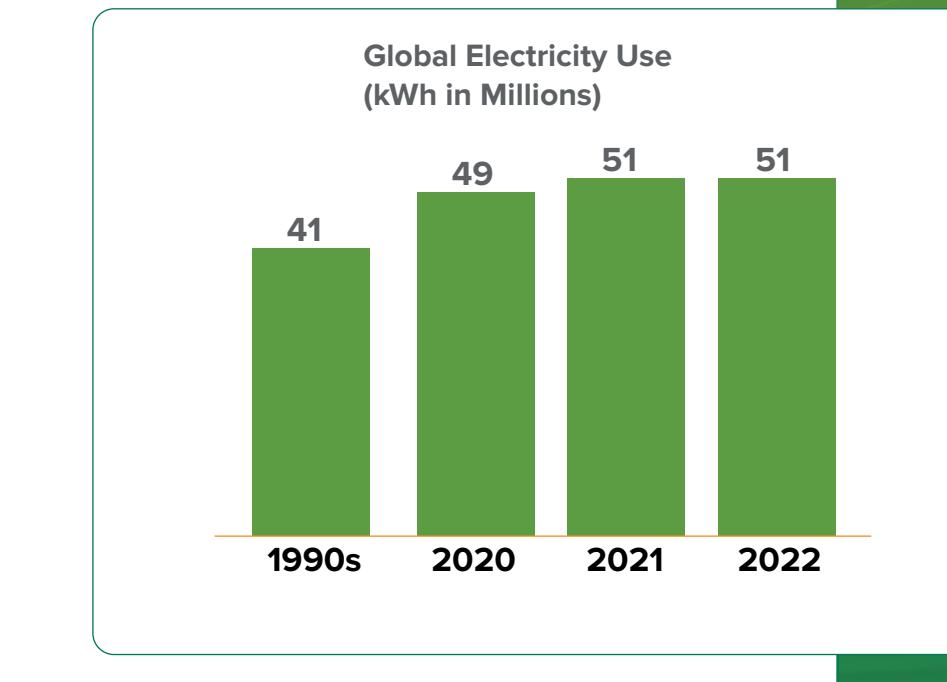
S&C advances energy efficiency in our operations and at our global facilities. We invest in renewable energy certificates and capital improvement projects, including automation systems, LED lighting, green building practices, equipment upgrades, and EV charging stations, to mitigate our footprint. These efforts have a direct impact on our scope 1 and 2 emissions. As the world becomes more reliant on electricity and shifts to using more renewable sources, we are assessing new efficiency programs, including renewable energy generation, electrification of our owned and leased vehicle fleets, and installation of additional EV charging stations at our global locations.

Total global electricity and natural gas consumption in 2022 was 51 million kWh—stable from 2021—and 1.72 million therms, an increase of 15 percent from 2021 because of natural gas being used in our new manufacturing facility in Franklin. Since 2014, we've continued to reduce the intensity of our electricity and natural gas use. For every \$1 million of revenue made in 2022, we used 36 percent less electricity and 49 percent less natural gas globally than in 2014.

In 2022, initiatives to improve energy efficiency included:

- **Continuing our transition away from fluorescent to LED lighting** in our Chicago and Toronto manufacturing facilities (In 2022, we replaced more than 1,000 fixtures in two buildings in Chicago, which saved an estimated 382,000 kWh. In 2023, we expect to complete the Chicago transition and replace an additional 10,000 fixtures.)
- **Identifying additional energy-efficiency opportunities** in Toronto, including the commissioning of 2023 energy audits
- **Achieving Silver v4 LEED certification** in our building expansion in Franklin
- **Adding EV charging stations** at our facility in Franklin and a new customer experience center in the UK
- **Providing team member shuttles** in China, along with on-site chargers for electric bikes/mopeds
- **Continuing to reduce our global IT footprint** by consolidating and replacing equipment, migrating data to the cloud, streamlining shipments, and implementing a buyout program to donate and reuse devices

## Electricity Use



## Renewable Energy

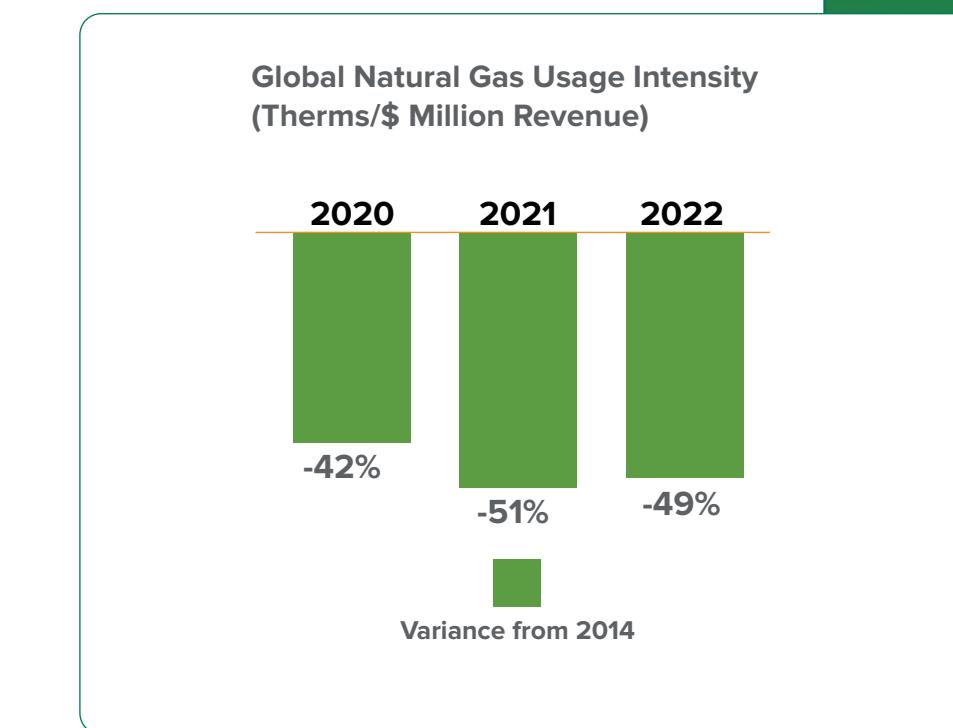
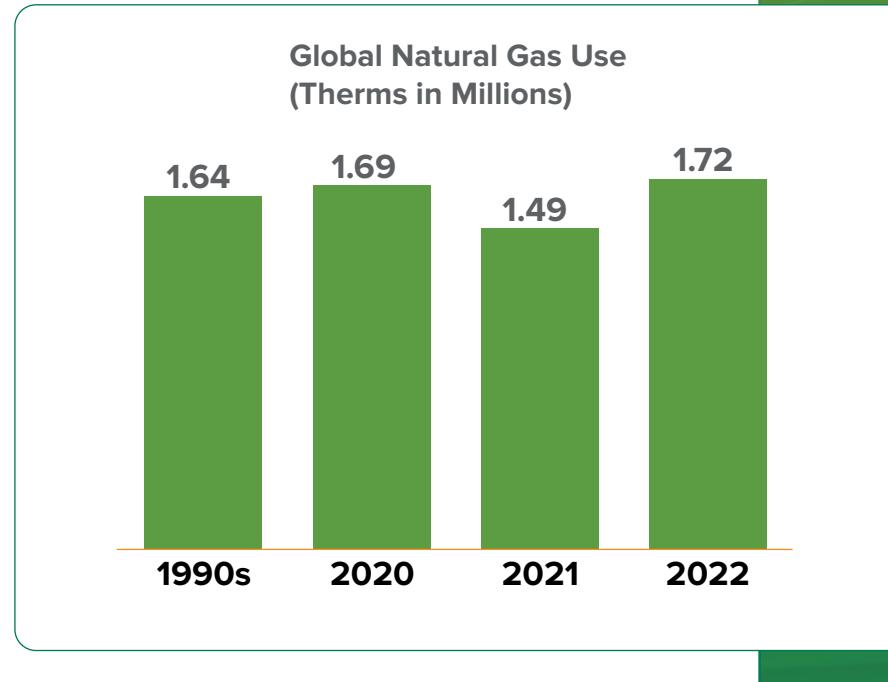
As a longstanding member of the U.S. [EPA's Green Power Partnership](#), S&C advances and encourages the development of renewable energy sources. S&C purchases renewable energy certificates, a market-based tool to verify use of zero- or low-emission renewable sources of electricity, as part of our effort to source cleaner energy. S&C has purchased renewable energy certificates since 2012 to meet 100 percent of our electricity use in the U.S. Since 2020, we have purchased renewable energy certificates for all global manufacturing electricity use, ensuring our zero-emissions electricity is generated from environmentally preferable renewable sources such as wind, solar, geothermal, biogas, eligible biomass, and low-impact hydropower.

## Natural Gas

We use natural gas, primarily in our Chicago and Toronto facilities, for heating in the winter and in our manufacturing processes, including boilers and curing ovens. We mitigate and reduce use through green building practices, ventilation systems, increased automation, equipment upgrades and replacements, and use of high-efficiency boilers where possible.



## Natural Gas Use





## Green Building Practices

As our business grows and we invest in existing facilities and expand our locations, sustainability remains a significant consideration in the construction, upgrades, and enhancements of our facilities and processes. In 2022, S&C completed the expansion of our Franklin location, which achieved a LEED Silver v4 certification. This is our third building in the U.S. to be certified, joining two buildings in Chicago certified with LEED Silver v4 and LEED Gold v3 ratings.

LEED-certified buildings are critical for addressing climate change, enhancing resilience, and supporting more equitable communities. They contribute to meeting the [United Nations Sustainable Development Goals](#) because they enable resource conservation, improve energy efficiency, minimize GHG emissions, and significantly reduce air pollutants, creating healthier communities.

Overall, the Franklin building uses 85,000 gallons less water with the use of high-efficiency fixtures, representing a 30 percent savings over conventional fixtures. The building also achieved almost 25 percent energy savings over conventionally designed buildings, reducing site energy consumption from 129 to 98 therms.

Examples of the green building practices applied in the Franklin building expansion include:

- Designing for **optimal team member thermal comfort** in the warehouse and office spaces (Ventilation rates were designed 30 percent above minimum requirements, improving fresh air flow into the building.)
- Selecting materials and products with the **least environmental life cycle impact** to produce, install, and ultimately dispose of at the end of their life (Priority was also given to low-chemical and low-odor content materials to protect our team members' health and safety.)
- **Minimizing parking** to reduce environmental impact associated with land use and rainwater runoff (The building also has free EV charging stations for team members and visitors.)
- Designing **light fixtures** with negligible impact on the night sky to prevent light pollution, improve nighttime visibility, and reduce impact on birds that migrate at night
- **Storing all rainwater** during the construction period to use for irrigation, preventing it from going into the stormwater system, and thus, conserving resources
- Designing a **white roof** to reduce urban heating (This style of roof reflects light and limits the amount of energy the building absorbs from solar rays, making it more efficient.)

## Waste Management

Over the past three decades, S&C's global waste management program has significantly increased the amount of nonhazardous waste diverted from landfills. Waste management practices are critical to addressing climate change, preventing pollution, and conserving resources.

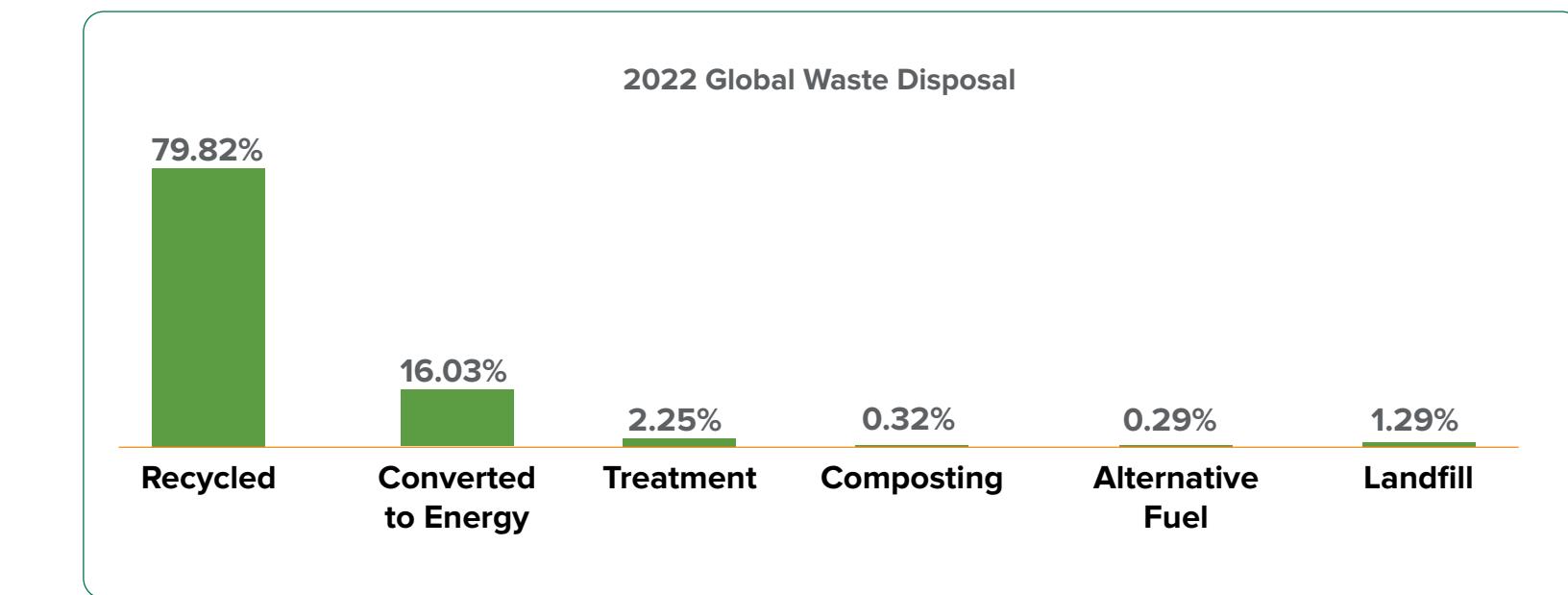
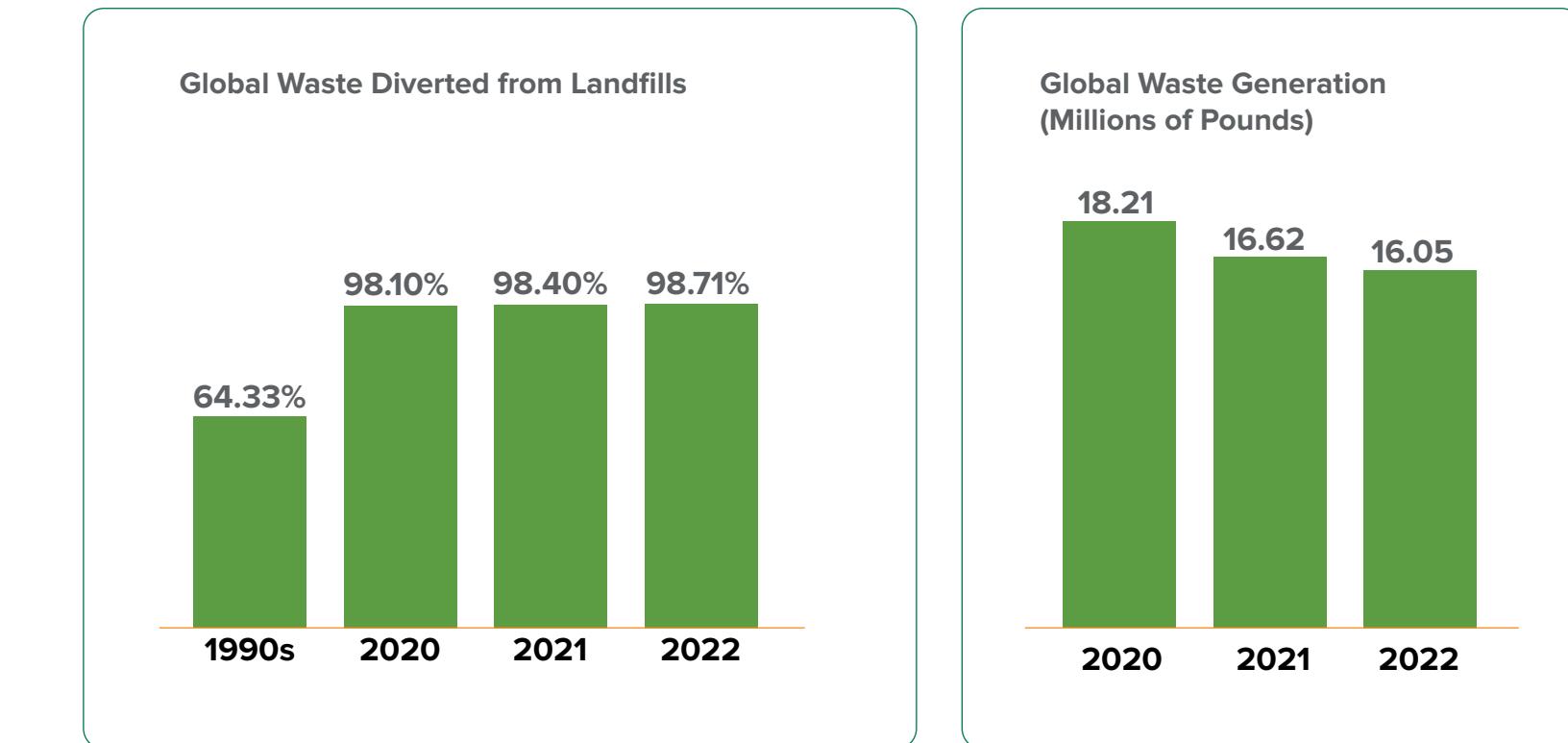
With more focus on ways to enable a circular economy that eliminates waste and pollution while keeping materials in circulation as long as possible, we are committed to continue exploring ways to further develop our practices. Part of these efforts include S&C's Sustainable Product Life Cycle Considerations and New Product Development Initiatives mentioned in the "Customer-Centered Innovation" section on [page 40](#) of this report.

Our waste management program focuses on prevention, reuse, recycling, and recovery initiatives, including composting and energy recovery. We seek to divert as much waste as possible from landfills at all our global operations, with a goal to achieve 99 percent landfill-free status where possible.

In 2022, we identified a third-party auditor to provide formal certification of our waste diversion efforts, which will require a multi-year effort that will start in 2023. Within the last few years, we have matured our waste diversion program by implementing additional material management and waste handling practices, including:

- Measuring our waste impact by tracking the amount of waste we generate, reuse, recycle, compost, and convert into energy
- Consulting with third-party experts to help find new ways to decrease waste generation and enhance our waste handling and disposal processes
- Involving team members in waste minimization efforts
- Reinforcing positive and proactive behaviors aimed at eliminating waste

## Waste Diverted from Landfill, Global Waste Generation



Total nonhazardous waste generated in 2022 was 16.05 million pounds (7,280 metric tons), down 3 percent from 2021. As a result of our waste management program, we diverted 98.71 percent of waste from landfills globally, or 15.84 million pounds (7,185 metric tons). Only 1.29 percent of our total waste generated was disposed of in landfills, while almost 80 percent of the total was recycled, 16 percent was converted to energy, and 2.86 percent had alternative disposals such as treatment, composting, and conversion to alternative fuel.

In 2022, initiatives to progress our 99 percent landfill-free initiative included the following:

- In our **Europe and Middle East** facilities, we added more recycling stations and promoted plastics, cardboard, and glass recycling within office spaces.
- In our **Asia-Pacific** facilities, we identified opportunities to reduce e-waste through external vendors where possible.
- Team members in **Chicago** partnered with the School of Environmental Sustainability at Loyola University to process our kitchen oils. The university recycles the kitchen oil and converts it into biofuel, which is then used in campus shuttles.
- In **Chicago**, we initiated packaging changes for one of our products, which will eliminate up to 2,500 wooden crates a year. Final implementation is expected in 2023.
- In **Franklin**, we developed new returnable packaging for one of our products, eliminating the use of about 2 tons of cardboard annually.
- We identified additional composting opportunities in our **Chicago campus**, including coffee grounds from our vending machines.

## Composting at Chicago Headquarters

In October 2022, S&C hosted a Sustainability Fair in Chicago during our “EARTH-tober Fest” celebration. We invited 10 sustainability-minded companies from the Chicagoland area to share programs and initiatives our team members could take part in outside of work. One attendee, Collective Resource, a compost and food scrap pickup service based in Evanston, Illinois, nominated S&C’s compost service for recognition through the Illinois Food Scrap Coalition’s We Compost Recognition Program. S&C was named a Gold Level partner in January 2023 for our facility-wide efforts to reduce waste.

## Returnable Packaging

Driven by the supply chain crisis in 2022, our team in Franklin was faced with a challenge. Because of a cardboard box shortage, we were at risk of being unable to ship critical electronic controls used in our Vista switchgear and pad-mounted switchgear products. This created a unique opportunity for our team to find a more sustainable solution.

The controls were previously shipped using four cardboard boxes, paper padding, and a plastic liner. By shifting to a custom reusable package made of hard plastic (pictured with lining made of 100% recyclable polyethylene foam), we will save over 2,500 cardboard boxes annually.

By applying our first waste management principle of preventing generation at the source, we estimate this change will save over 5,000 cardboard boxes per year, or 2 tons of material, as demand for our products grows.



## Air Quality

We manage our emissions of volatile organic compounds (VOCs) and hazardous air pollutants (HAPs) as required by the Clean Air Act and regulated by the U.S. Environmental Protection Agency (EPA). We use pollution-control systems to manage our VOC and HAP emissions and strive to minimize these emissions globally.

Our manufacturing locations comply with all regulatory limits. We have reduced our VOC and HAP emissions in the U.S. by 97 percent and 99 percent respectively since the 1990s. Today's emissions are well below our compliance requirements and remain negligible. We achieved these significant reductions primarily by transitioning our paint lines from using liquid paint coatings to powder paint coatings across our global facilities. Today, remaining emissions come from the use of polymer materials to provide sealing properties to our products.

We will continue to proactively manage our emissions as we grow our organization to meet customer demand. We expect VOC emissions to increase in 2024 as we add a new paint line to our internal operations.

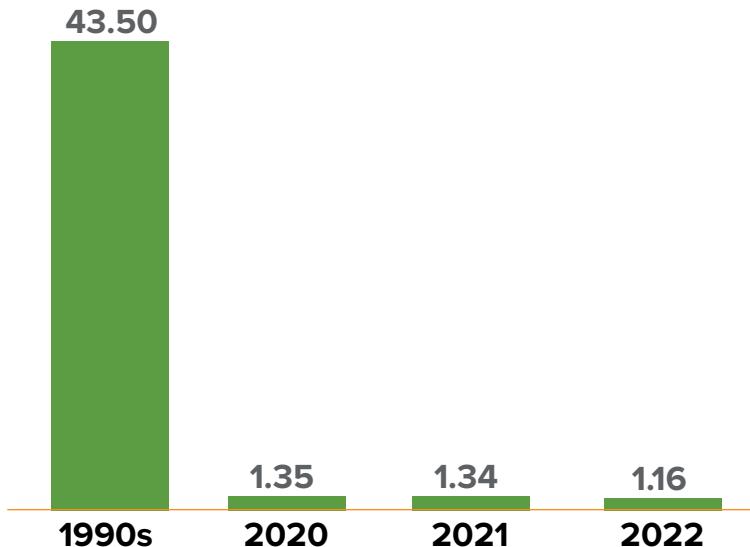
While we use low-VOC paints, the emissions are estimated to increase by approximately 9.2 tons per year. S&C is actively working to identify zero-VOC alternatives.

Additional minimal increases (approximately 1 to 2 tons a year) are expected because of materials used in newer S&C product lines. Although we have not identified a product formula that eliminates VOCs completely, our Health, Safety, and Environmental (HSE) team assisted with a product-design change in 2022 that reduced VOCs when compared with the original material. Despite the projected increases in emissions to meet our production demands, S&C will remain well below our compliance requirements and will continue seeking ways to reduce VOC and HAP emissions.

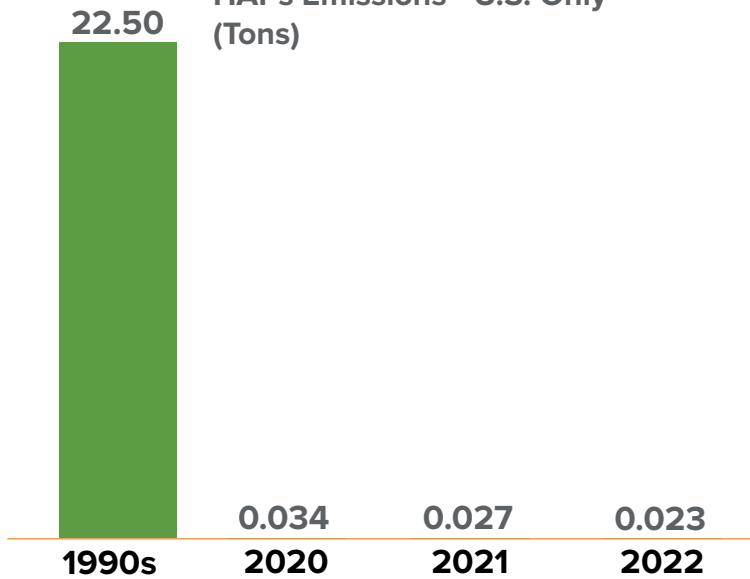
S&C's standard procedures require any new materials used in our products to be reviewed by our HSE team. We also maintain a database available to all team members, which is managed by the HSE team, to continuously monitor and evaluate environmental concerns and new regulations.

### HAPs/VOCs

VOCs Emissions—U.S. Only  
(Tons)



HAPs Emissions—U.S. Only  
(Tons)



## Water Conservation

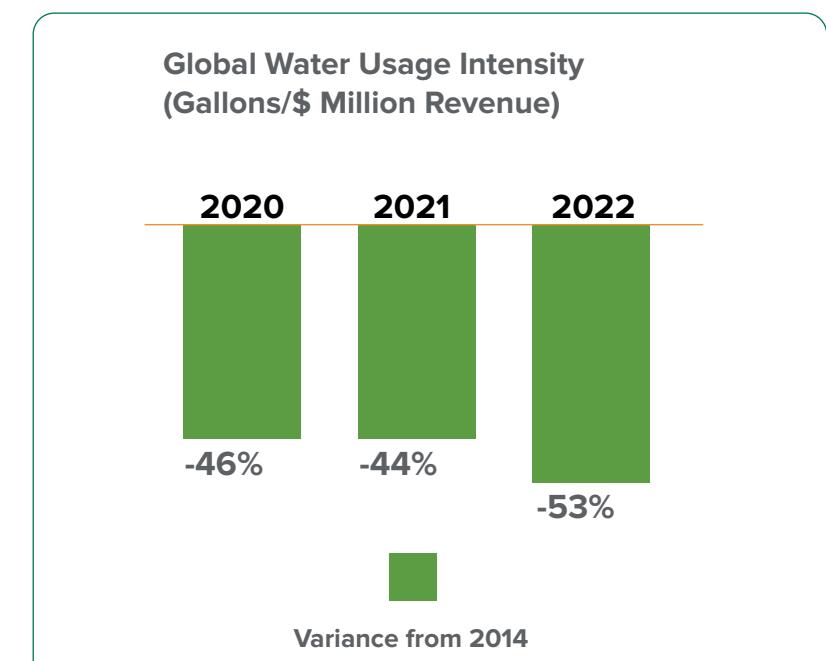
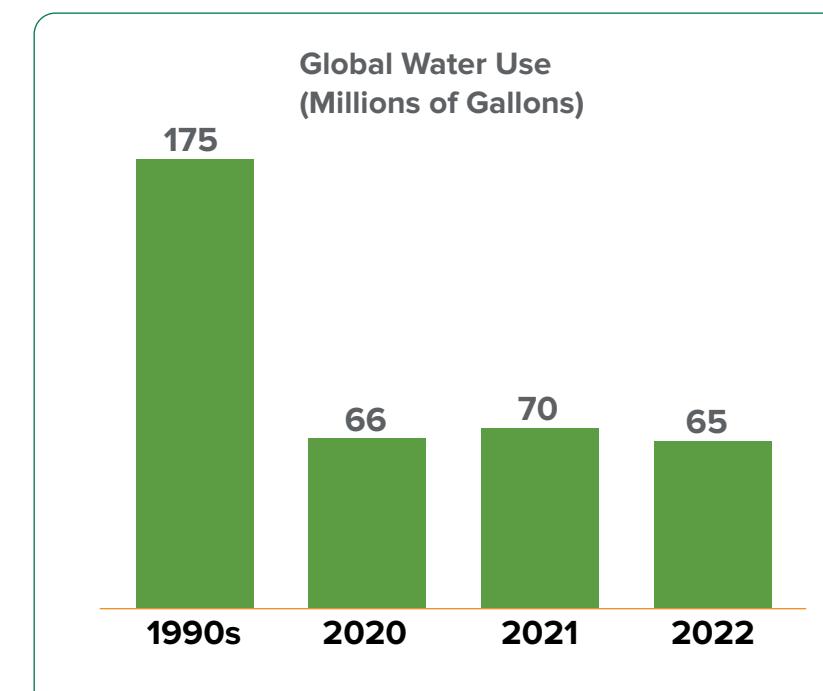
We leverage our lean manufacturing practices, facility upgrades, shared best practices, and conservation efforts to reduce our water consumption. Since 2012, S&C has applied the water conservation lessons learned from efforts at our Chicago headquarters across our global locations.

Most water use occurs at our Chicago facility, our largest operation and home to several process operations, cooling towers, and office needs. Other sites also use water in manufacturing processes, including Canada, Mexico, and China. Cooling towers reduce the consumption of water used to operate air conditioning systems and machines used in production operations, such as air compressors and production presses. We have also reduced the amount of rinse water used for plating and phosphating processes.

In the last two years, we have implemented a dry cooler system used in a new product manufacturing line in Chicago that has prevented the use of at least 1 million gallons of water. In 2022, we installed an evaporative fluid cooler in our new product development test laboratory. This system allows for water to only be used during peak summer conditions when needed. As part of the Franklin building expansion completed in 2022, we installed low-flow devices on faucets and bathroom fixtures to minimize the amount of water used. We also stored all rainwater during the construction period to use for irrigation.

Total water used globally in 2022 was 65 million gallons, down 7 percent from 2021. Since 2014, we've significantly reduced the intensity of our water usage. For every dollar of revenue made in 2022, we used 53 percent less water than in 2014.

## Water Use



## Native Pollinator Gardens

In 2022, HSE team members in Chicago worked with the Chicago Field Museum's Keller Science Action Team to create a native pollinator garden that advances urban sustainability by protecting biodiversity and promoting irrigation.

The garden establishes nature-rich, people-centric landscaping that fosters biodiversity and habitation, manages stormwater runoff and soil erosion, draws down greenhouse gases from the atmosphere, and enhances the Rogers Park neighborhood where S&C Chicago is located.

Inspired by the success of this experience, a working group at our Toronto facility has started designing a native rain garden as part of an upcoming site renovation expected to start in 2023.

## Supply Chain Management

S&C maintains a supply chain that is resilient, reliable, and responsible. We partner with suppliers of goods and services that share our values and commitments to quality, dependability, integrity, and mutually beneficial results. S&C selects suppliers for the long term and prioritizes those that pursue continuous improvement and demonstrate focused efforts around diversity and inclusion, human rights, and environmental stewardship.

S&C's [Supplier Code of Conduct](#) outlines our approach to supply chain management. Key principles include our expectations for suppliers on topics such as:

- Payments, gratuities, and gifts
- Accuracy of records
- Compensation and working hours
- Diversity and equal opportunities in employment
- Labor rights
- Environmental responsibility
- Health and safety
- Information confidentiality
- Brand and trademarks
- Conflicts of interest

We include our Supplier Code of Conduct in our contracts and conduct screening processes when establishing new relationships to ensure potential suppliers align with S&C's expectations. S&C's Global Sourcing and Strategic Supply Chain team conducts interviews, facility tours, financial reviews, and other assessments to ensure ongoing compliance. S&C provides guidance on corrective actions and conducts a re-evaluation if a supplier does not pass the initial approval process.

### Sustainable Supply Chain

We promote environmental stewardship in managing our supply chain and cultivating partnerships with trusted suppliers. As stated in our Supplier Code of Conduct, we expect suppliers to conduct their operations in a way that protects the environment and complies with all applicable environmental laws and regulations.

In addition, S&C uses a variety of practices to mitigate environmental impacts, including:

- Sourcing regionally, which reduces our environmental impact from transportation
- Using practices that promote efficient materials use and mitigate waste, such as reducing the use of packaging and offering a bin exchange program that enables the return and reuse of metal baskets, tubs, and racks instead of relying on single-use cardboard
- Mapping efficient routes and optimizing load size to drive energy efficiency and reduce emissions throughout our logistics and transportation processes



### Sustainable Supply Chain Alliance

S&C maintains membership in the U.S. Sustainable Supply Chain Alliance (SSCA), an organization of public utilities and suppliers who work together to advance sustainability best practices. The SSCA provides members with an annual scorecard, ranking their governance and management, product and process design, sourcing, production, distribution and shipping, and end-of-life management. In 2022, we achieved a 95 percent score in our ESG practices (first time responding), and an 87 percent score in our manufacturing practices (based on 2021 data).



## Industry Relationships

As part of our efforts to foster collaborative relationships and share best practices, we actively participate in industry organizations and contribute thought leadership to advance a more sustainable, resilient grid. Our trade association memberships include:

- ABINEE (Brazilian Electrical and Electronics Industry Association)
- AEIC (Association of Edison Illuminating Companies)
- AEU (Advanced Energy United)
- AMCHAM (U.S. Chamber of Commerce)
- AMCHAM Shanghai (American Chamber of Commerce in Shanghai)
- CIGRE (Council on Large Electric Systems)
- EEI (Edison Electric Institute)
- IEEE (Institute of Electrical and Electronics Engineers)
- LIDE (Business Leaders Group)
- MAPI (Manufacturers Alliance for Productivity and Innovation)
- NAM (National Association of Manufacturers)
- NEMA (National Electrical Manufacturers Association)
- SSCA (Sustainable Supply Chain Alliance)

## Supply Chain Risk Management

In 2019, S&C's Global Sourcing and Strategic Supply Chain team developed a program to formally manage supply chain risk on an annual basis. This mechanism proved extremely valuable to support S&C's production through the COVID-19 pandemic and the resulting supply chain disruptions that persist today. As S&C continues to grow and support the energy transition, the need to successfully manage our supply chain remains a priority.

Our supply chain risk management process includes a systematic review of supply chain risks for each product, considering factors such as supplier performance, financial health, single sources, complexity, and availability of alternatives in the marketplace. We record and score these risks in a register that values each risk based on the potential revenue loss to S&C.

Our supplier evaluations and performance improvements focus on our top strategic suppliers, their own risk management systems, and their performance against S&C's key performance indicators. We leverage external management tools that assist us in the real-time detection, mapping, and valuation of risks, including our suppliers' geographic locations, exposure to natural hazards and extreme weather events, transportation routes, and raw material providers.

In 2022, we experienced a challenging supply path for electronics caused by COVID-19 lockdowns and international transportation constraints. We created a cross-functional team to analyze new ways to manage our electronics supply chain. As a result, we developed a plan highlighting additional processes, tools, and resources required to improve our electronics supply chain management systems starting with the design of new products, as well as the creation of a steering committee to provide governance.

## Supplier Diversity

S&C's core value of Respect for People drives our commitment to supplier diversity. We recognize the unique challenges faced by vulnerable communities, and partnering with diverse suppliers can help us make a positive impact in those areas.

We actively seek supplier relationships with minority-, woman-, veteran-, and LGBTQ+-owned businesses, as well as with local and small businesses in the communities where we operate. Our Supplier Diversity Program explores ways S&C can advance economic empowerment in challenged areas and build meaningful connections that pave the way toward more significant positive impacts in the future.

In 2022, we implemented our Supplier Diversity Policy as a core element of our sourcing strategy and identified opportunities to increase spending in six of 14 diverse supplier categories. We also hosted an outreach event that included the participation of S&C President and CEO Anders Sjoelin. Twelve diverse suppliers attended this event, which led to ongoing conversations with several participants.

In 2023, we will network with more than 200 newly certified suppliers, participate in additional events, and host at least three outreach events with prequalified suppliers. In the long term, S&C will focus on developing specific supplier diversity metrics and key performance indicators to measure the percentage of spending by supply category and product line.

## National Minority Supplier Development Council

In 2022, S&C joined the National Minority Supplier Development Council. This membership promotes networking with minority-owned suppliers. These suppliers assisted S&C in developing a program strategy that includes outreach to diverse supplier categories. Our first outreach event, held in November 2022, was both on-site and virtual. This allowed us to connect with diverse suppliers and introduce them to our company's mission and the product lines where we are looking to expand and increase our diverse spend.



# GRI INDEX

# Global Reporting Initiative (GRI) Index

This Global Reporting Initiative (GRI) Index is intended to help S&C Electric Company's valued stakeholders locate our disclosures in our 2022 Sustainability Report and related documents. We are reporting with reference to the latest GRI Standards: the GRI General Disclosures that were adopted in 2021 and the topic-specific standards that were adopted in 2016, 2018, and 2020 (years indicated in the table).

## General Disclosures 2021

GRI Standard	Disclosure	Reference or Direct Answer
<b>The Organization and its Reporting Practices</b>		
2-1	Organizational details	About S&C Electric Company, p. 6
2-2	Entities included in the organization's sustainability reporting	About S&C Electric Company, p. 6
2-3	Reporting period, frequency, and contact point	This sustainability report was published in mid-2023 and is reflective of the 2022 calendar year. S&C reports annually. Our contact point for questions regarding the report is <a href="mailto:sustainability@sandc.com">sustainability@sandc.com</a> .
2-4	Restatements of information	S&C did not make any restatements in the reporting period.
2-5	External assurance	S&C received external assurance for its 2022 scope 1 and scope 2 greenhouse gas emissions. The <a href="#">Statement of Verification is posted on our website</a> .
2-29	Approach to stakeholder engagement	Supporting Customers with Life Cycle Services, p. 10 Our Approach to Sustainability, p. 11-12 Industry Relationships, p. 62

## Activities and Workers

2-6	Activities, value chain, and other business relationships	About S&C Electric Company, p. 6 Our Products and Solutions, p. 9 Our Services, p. 10 Supply Chain Management, p. 61-63
2-7	Employees	About S&C Electric Company, p. 6

## General Disclosures 2021, Cont.

### Governance

2-9	Governance structure and composition	Corporate Governance, p. 14-16
2-10	Nomination and selection of the highest governance body	Corporate Governance, p. 14-16
2-11	Chair of the highest governance body	Corporate Governance, p. 14-16
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance, p. 14-16
2-13	Delegation of responsibility for managing impacts	Corporate Governance, p. 14-16
2-14	Role of the highest governance body in sustainability reporting	Our Approach to Sustainability, p. 11 Corporate Governance, p. 14-16
2-15	Conflicts of interest	<a href="#">Required Ethical Standards, Code of Business Conduct</a>
2-16	Communication of critical concerns	<a href="#">Required Ethical Standards, Code of Business Conduct</a>
2-17	Collective knowledge of the highest governance body	Corporate Governance, p. 14-16
2-18	Evaluation of the performance of the highest governance body	Corporate Governance, p. 14-16

### Strategy, Policies, and Practices

2-22	Statement on sustainable development strategy	CEO Message, p. 4 Our Strategy, p. 8 Our Products and Solutions, p. 9 Our Services, p. 10 Our Approach to Sustainability, p. 11
2-23	Policy commitments	Ethics, Integrity, and Governance, p. 13-17 <a href="#">Required Ethical Standards, Code of Business Conduct</a> <a href="#">Supplier Code of Conduct</a> <a href="#">DE&amp;I Statement</a> <a href="#">Environmental Policy Statement</a>
2-24	Embedding policy commitments	<a href="#">Required Ethical Standards, Code of Business Conduct</a> <a href="#">Supplier Code of Conduct</a> <a href="#">DE&amp;I Statement</a> <a href="#">Environmental Policy Statement</a>
2-25	Processes to remediate negative impacts	<a href="#">Required Ethical Standards, Code of Business Conduct</a>
2-26	Mechanisms for seeking advice and raising concerns	<a href="#">Required Ethical Standards, Code of Business Conduct</a> <a href="#">Supplier Code of Conduct</a>
2-27	Compliance with laws and regulations	<a href="#">Required Ethical Standards, Code of Business Conduct</a> <a href="#">Supplier Code of Conduct</a>
2-28	Membership associations	Industry Relationships, p. 62

## Material Topics

GRI Standard	Disclosure	Reference
<b>GRI 3: Material Topics 2021</b>		
3-1	Process to determine material topics	Our Approach to Sustainability, p. 11-12
3-2	List of material topics	Our Approach to Sustainability, p. 11-12
3-3	Management of material topics	Our Approach to Sustainability, p. 11-12

## Materials

GRI Standard	Disclosure	Reference
<b>GRI 301: Materials 2016</b>		
GRI 3: Material Topics 2021	Management approach	Product Innovation and Sustainability, p. 40-41 Product Life Cycle, p. 44 Customer Focus and Support, p. 45 Waste Management, p. 57-58
301-2	Recycled input materials used	Waste Management, p. 57-58

## Energy

GRI Standard	Disclosure	Reference
<b>GRI 302: Energy 2016</b>		
GRI 3: Material Topics 2021	Management approach	Customer-Centered Innovation, p. 38-43 Energy Efficiency, p. 54-56
302-1	Energy consumption within the organization	Energy Efficiency, p. 54-56
302-3	Energy intensity	Energy Efficiency, p. 54-56
302-4	Reduction of energy consumption	Energy Efficiency, p. 54-56
302-5	Reductions in energy requirements of products and services	Customer-Centered Innovation, p. 38-43

## Water

GRI Standard	Disclosure	Reference
<b>GRI 303: Water and Effluents 2018</b>		
GRI 3: Material Topics 2021	Management approach	Water Conservation, p. 60
303-1	Interactions with water as a shared resource	Water Conservation, p. 60
303-5	Water consumption	Water Conservation, p. 60

## Biodiversity

GRI Standard	Disclosure	Reference
<b>GRI 304: Biodiversity 2016</b>		
GRI 3: Material Topics 2021	Management approach	Native Pollinator Gardens, p. 60

## Emissions

GRI Standard	Disclosure	Reference
<b>GRI 305: Emissions 2016</b>		
GRI 3: Material Topics 2021	Management approach	Climate Change and Decarbonization, p. 50-53
305-1	Direct (Scope 1) GHG emissions	Scope 1 and 2 Global GHG Emissions, p. 52
305-2	Energy indirect (Scope 2) GHG emissions	Scope 1 and 2 Global GHG Emissions, p. 52
305-4	GHG emissions intensity	Scope 1 and 2 Global GHG Emissions, p. 52
305-5	Reduction of GHG emissions	Climate Change and Decarbonization, p. 50 Reducing Our GHG Emissions, p. 52 Decarbonization Initiatives, p. 53
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air Quality, p. 59

## Waste Management

GRI Standard	Disclosure	Reference
<b>GRI 306: Waste 2020</b>		
GRI 3: Material Topics 2021	Management approach	Waste Management, p. 57-58
306-2	Management of significant waste-related impacts	Waste Management, p. 57-58
306-3	Waste generated	Waste Management, p. 57-58
306-4	Waste diverted from disposal	Waste Management, p. 57-58
306-5	Waste directed to disposal	Waste Management, p. 57-58

## Supplier Environmental Assessment

GRI Standard	Disclosure	Reference
<b>GRI 308: Supplier Environmental Assessment 2016</b>		
GRI 3: Material Topics 2021	Management approach	Decarbonization Initiatives, p. 53 Supply Chain Management, p. 61-63 Sustainable Supply Chain Alliance, p. 61 Industry Relationships, p. 62 Supply Chain Risk Management, p. 63 <a href="#">Supplier Code of Conduct</a>

## Employment

GRI Standard	Disclosure	Reference
<b>GRI 401: Employment 2016</b>		
GRI 3: Material Topics 2021	Management approach	People-First Culture, p. 18-37
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Compensation and Benefits, p. 35
401-3	Parental leave	Compensation and Benefits, p. 35

## Occupational Health and Safety

GRI Standard	Disclosure	Reference
<b>GRI 403: Occupational Health and Safety 2018</b>		
GRI 3: Material Topics 2021	Management approach	Team Member Health and Safety, p. 20-23
403-1	Occupational health and safety management system	Team Member Health and Safety, p. 20-23
403-2	Hazard identification, risk assessment, and incident investigation	Team Member Health and Safety, p. 20-23
403-3	Occupational health services	Team Member Health and Safety, p. 20-23 Well-Being and Work-Life Balance, p. 34
403-4	Worker participation, consultation, and communication on occupational health and safety	Safety Action Teams Empower Team Members, p. 21
403-5	Worker training on occupational health and safety	Team Member Health and Safety, p. 20-23
403-6	Promotion of worker health	Team Member Health and Safety, p. 20-23 Well-Being and Work-Life Balance, p. 34
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Team Member Health and Safety, p. 20-23

## Training and Education

GRI Standard	Disclosure	Reference
<b>GRI 404: Training and Education 2016</b>		
GRI 3: Material Topics 2021	Management approach	Team Member Engagement and Development, p. 25-26
404-2	Programs for upgrading employee skills and transition assistance programs	Team Member Training and Leadership Development, p. 26

## Diversity and Equal Opportunity

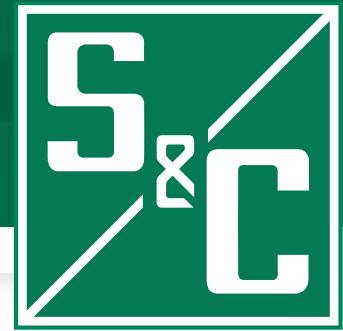
GRI Standard	Disclosure	Reference
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
GRI 3: Material Topics 2021	Management approach	Enhancing Our Perspectives on Inclusion and Diversity, p. 26 Diversity, Equity, and Inclusion, p. 27-33 Supplier Diversity, p. 63
405-1	Diversity of governance bodies and employees	Corporate Governance, p. 14-16 2022 Diversity at a Glance, p. 29

## Non-Discrimination

GRI Standard	Disclosure	Reference
<b>GRI 406: Non-Discrimination 2016</b>		
GRI 3: Material Topics 2021	Management approach	Diversity, Equity, and Inclusion, p. 27-33 <a href="#">Required Ethical Standards, Code of Business Conduct</a> <a href="#">DE&amp;I Statement</a>

## Local Communities

GRI Standard	Disclosure	Reference
<b>GRI 413: Local Communities 2016</b>		
GRI 3: Material Topics 2021	Management approach	Social Impact and Community Engagement, p. 36-37
413-1	Operations with local community engagement, impact assessments, and development programs	Affinity Groups Unite and Support Team Members, p. 31-32 Social Impact and Community Engagement, p. 36-37



# PEOPLE POWER OUR PURPOSE

[www.sandc.com](http://www.sandc.com)

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To learn more about our efforts, scan the QR Code to visit our Sustainability page, and follow us on social media.

