



Corporate **RESPONSIBILITY** **REPORT 2018**





CONTENTS

3 **PRESIDENT'S MESSAGE**

CORPORATE RESPONSIBILITY

- 4 Introduction
- 4 Team Member Inclusion
- 4 Career Framework
- 4 Team Member Development
- 5 Sustainability Week
- 5 Corporate Responsibility Web Page
- 5 Team Member Wellness
- 6 Community Activities
- 7 Team Member Initiatives

CONSERVATION TRENDS

- 8 Waste Diverted from Landfill and Recycling
- 8 Used Battery and Scrap Electronics Disposal
- 8 Composting

TEAM MEMBER SAFETY

- 9 Safety-Improvement Initiatives

ENVIRONMENTAL PERFORMANCE

- 10 S&C Environmental Policy
- 10 Water
- 10 Natural Gas
- 11 Electricity
- 11 Emissions

GLOBAL INITIATIVES

- 12 Asia Pacific
- 12 Europe, Middle East, and Africa
- 13 Canada
- 14 Mexico, Central America, and Caribbean
- 15 China
- 15 South America



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CORPORATE RESPONSIBILITY

BEYOND INITIATIVES

*By Kyle Seymour,
President and CEO, S&C Electric Company*

Welcome to our Corporate Responsibility Report. It represents an annual opportunity to convey our core value of “Responsible Stewardship” through the activities that make it real to our team members, our community, our industry, and our environment. The initiatives described in this report reflect the hard work, dedication, and passion of our teams, all over the world.

S&C is proud to have a diverse workforce. Some 65% of the workforce at our main manufacturing facility in Chicago, and 62% across all our locations, are represented by women and persons of color. However, there is still much work to be done to attract, develop, and retain a workforce that truly reflects the demographics of the communities in which we live and work. In 2018, S&C formed a Diversity and Inclusion Steering Committee to oversee the activities of specific action teams working toward that goal.

The safety of our team members is our number one priority. In 2018, a global focus on preventing hand-related incidents led to a 37% decrease in first-aid cases year over year, and hand recordable injuries dropped 61% over the same time period. This and other focused actions helped us maintain world class safety performance at levels substantially better than national averages for manufacturing companies.

More broadly, we strive to improve the “whole person” through health and wellness activities such as our “AMP UP!” wellness program, our Biokinetix daily warm-ups, and through career enhancement with our Career Framework that has now been extended to hourly team members in the U.S. and all offices worldwide. Training is a key part of workforce development, and in 2018 we launched a new online learning-management system called SPARK for all team members and a new Career

Advancement Recognition and Engagement (CARE) system to assist hourly team members in tracking their progress toward benchmarks within the Career Framework.

In 2018, S&C held its first Sustainability Week to better educate team members on a variety of ways to be more sustainable. Even as our global workforce expanded, S&C still avoided sending 93.7% of its trash to landfills, diverting 13.8 million pounds. We recycle 42,000 pounds of packaging each month and continue to find new recycling opportunities, such as an initiative to recycle garnet stone from our water jet cutting machines. We reduced our water consumption 1.4% from the previous year, and our electric-energy consumption by 2.1%.

Corporate Responsibility will always mean being a good civic partner. The S&C Electric Company Fund spends more than \$1 million each year on activities supporting the communities in which we live and work. Our Annual Giving Campaign brought in a company record of \$457,000 in U.S. team member donations and company matches.

S&C’s vision is to “Empower People to Transform the Electric Grid.” To accomplish this vision, our global team must be diverse, healthy, skilled, and motivated. Corporate responsibility reflects not only the initiatives a company undertakes, but the values that its team members and leadership offer their communities and each other. We are proud of what we have accomplished at S&C and hope to build on that each and every year.

A handwritten signature in black ink that reads "Kyle H. Seymour".

Introduction

S&C Electric Company is a diverse, equal-opportunity, majority-minority company, with **65%** of the workforce at its main manufacturing facility in Chicago, and **62%** across all of its locations, represented by women and persons of color.

The average length of employment among full-time S&C team members is **11.6 years**. The average time of employment for exempt annual team members is **11.9 years**, while for non-exempt monthly and hourly team members the average is **14.0 years** and **10.8 years** respectively.

Team Member Inclusion

Recognizing the importance of a diverse and inclusive team whose members feel empowered and engaged, along with leaders who maximize contributions from every member of their teams, S&C created a **Diversity and Inclusion Steering Committee**. The committee will establish and resource action teams to focus on attracting, retaining, and developing a diverse team in an inclusive environment.

S&C also announced the impending rollout of a new team member group called **Inclusion, Diversity, Engagement & Awareness (IDEA)** to serve as a resource to all S&C team members. The IDEA group will focus on promoting diversity and inclusion at S&C, increasing cultural awareness, assisting with recruiting and retention efforts, and mentoring colleagues.

Career Framework

The Career Framework was expanded to encompass the company's non-exempt Hourly Pay Group team members. Functional career paths have been mapped so every team member can see what's required to progress to a promotion. Education and training opportunities to support career growth also are available to all.

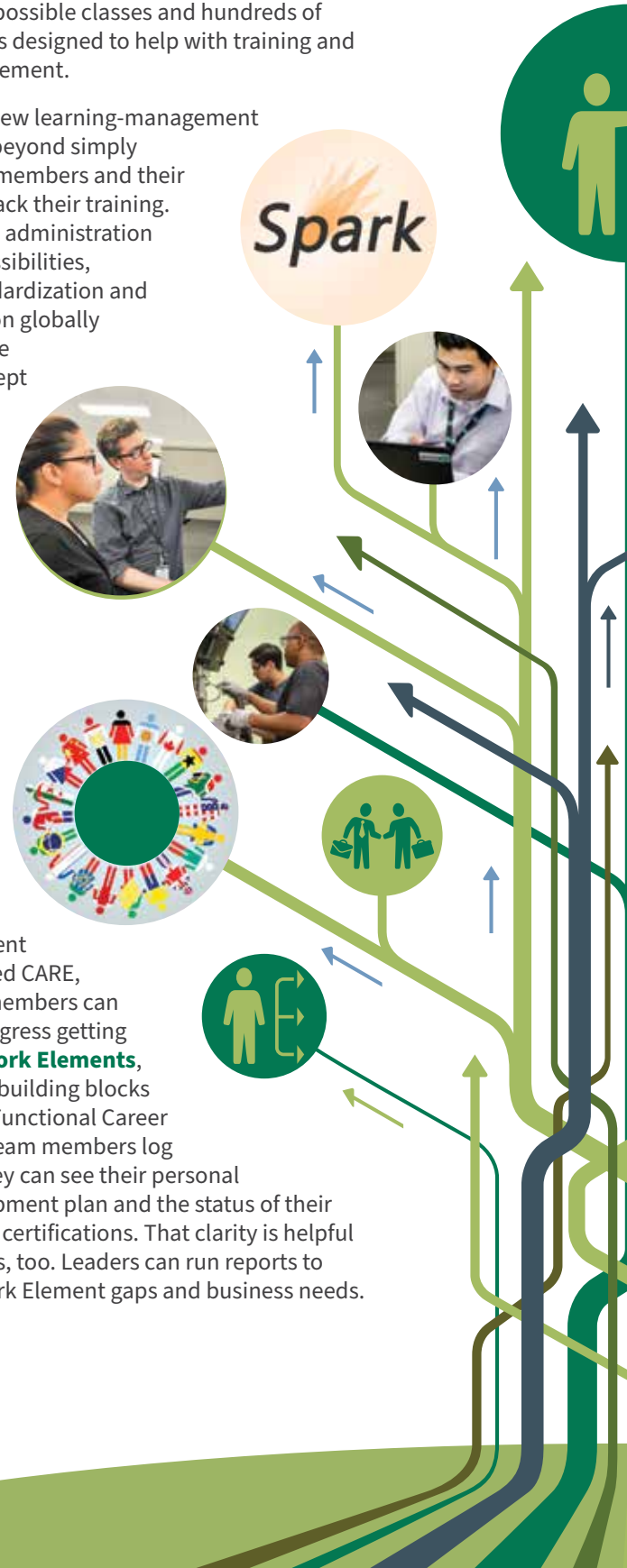
Team Member Development

In 2018, S&C focused its attention on talent development, launching two computer programs, **Spark** and **CARE**, to help team members juggle thousands of possible classes and hundreds of Work Elements designed to help with training and career enhancement.

Spark, S&C's new learning-management system, goes beyond simply helping team members and their supervisors track their training. It provides full administration of training possibilities, allowing standardization and communication globally throughout the company (except China).

Spark is giving S&C the ability to track training needs, close training gaps, budget based on data, and evaluate the effectiveness of training.

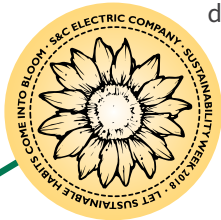
With S&C's new Career Advancement Recognition and Engagement system, dubbed CARE, hourly team members can track their progress getting certified on **Work Elements**, which are the building blocks of S&C's new Functional Career Paths. When team members log in to CARE, they can see their personal career development plan and the status of their Work Element certifications. That clarity is helpful for supervisors, too. Leaders can run reports to track their Work Element gaps and business needs.



Sustainability Week

In 2018, S&C held its first Sustainability Week. During the week, Lunch-and-Learns and tables set up in the cafeteria helped educate team members on a variety of ways to be more sustainable, including water conservation, recycling and waste management, energy efficiency, carbon-footprint reduction, and becoming landfill-free. The company also collected household hazardous materials,

such as light bulbs, spent batteries, paint, oil, and pesticides for proper disposal, and it provided secure paper-shredding so team members could securely get rid of old personal documents. This provided a great opportunity to help clear out unwanted waste from team members homes in a safe way.



Corporate Responsibility Web Page

In 2018, S&C added a page to its website dedicated to its Corporate Responsibility efforts. Located at sandc.com/corporateresponsibility, the site provides an online source for the content described in this publication.

Team Member Wellness

Biokinetix Warm-Ups

Every team member in 2018 was invited to participate in Biokinetix 3-minute warm-up training, which helps increase blood circulation, body temperature, and joint movement. And about **85%** participated in the classes. To reach the other **15%**, S&C promoted departmental training and individual injury-prevention activities, including education and 3-minute warm-up exercises team members could do at their desk instead of in groups. S&C's Health Center also adopted personalized exercise programs based on an individual's needs, providing equipment access through the company's Wellness Center.

AMP UP! Program



A 2018 check-and-adjust of S&C's popular health management program, called AMP UP!, yielded strategic changes to better serve targeted needs of team members. Most significantly, additional resources were made available to team members with health risk factors. Deeper levels of engagement with health professionals and newly designed classes on nutrition, weight loss, healthy cooking, exercise, stress management, medication management, and more are intended to help team members achieve their personal best health and avoid debilitating health issues, especially heart disease, stroke, diabetes, and cancer.

S&C Green Apron



Partnering with nutrition experts and a neighborhood grocery chain, S&C introduced a new healthy convenience for team members in 2018 dubbed "S&C Green Apron." Thirty-six delicious and healthy recipes, each designed to involve a meal prep time of 30 minutes or less, were developed to suit all dietary preferences. Each week, team members can choose from up to three "meal kits" that serve up to four people at a per-kit cost of **\$20 or less** and that can be picked up at the nearby grocery store weekly. This benefit helps team members put a hot, tasty, nutritious meal on the dinner table despite the busy schedules facing so many people today.



Community Activities

S&C constantly strives to build strong relationships within its surrounding communities. With S&C's headquarters being in Chicago's Rogers Park neighborhood just south of Evanston, Illinois, much of the community activity for S&C and its team members is focused on that region.

Following its guiding principle of responsible stewardship, S&C hosted its first **Rogers Park Community Fair**, where 12 area organizations shared both short- and long-term opportunities with S&C team members. Sponsored by S&C's New Professionals Group, the event enabled S&C team members to discover volunteering and board member participation opportunities with such organizations as Between Friends, Big Brothers Big Sisters of Metropolitan Chicago, Chicago Math and Science Academy, High Ridge YMCA, Howard Area Community Center, Lane Tech Robotics Team, Lifeline Theatre, Misericordia, Northside College Prep Robotics Team, Northside Community Resources, Rogers Park Business Alliance, and Rogers Park West Ridge Historical Society.



S&C also participated in Evanston Township High School's first-ever "**Career Options Night: Multiple Pathways to Success.**" The event, open to current and former students and parents, was designed for those interested in professional careers that do not require a four-year college degree. During the event, S&C team members working the S&C information table fielded questions from a steady stream of interested students, who learned ways in which S&C could provide them a place to start a career.



S&C's annual **Giving Campaign** brought in a company-record **\$183,000** in U.S. team-member contributions. Through its donor-advised fund, S&C matched \$1.50 for each dollar S&C team members donated, raising the campaign total to **\$457,000**. The funds were split among three charitable organizations: Misericordia, United Way, and Community Health Charities, allowing them to continue their missions and make a positive impact in the communities in which we live and work.

Each year, the **S&C Electric Company Fund** provides **more than \$1 million** in total grants to 12 arts and culture organizations, 20 institutions that address basic human needs, eight community-development organizations, 20 education entities, and six health organizations. Included in the grants were funds to the American Red Cross to help in its efforts related to the 2018 California wildfires. In addition to funding, S&C also is working to help these organizations through board participation, which simultaneously provides community-leadership opportunities for S&C team members.



our local communities.

Kits for kids to explore science, tech, engineering, and math in their own homes



The S&C Electric Company Fund has supported **IEEE Chicago's Science Kits for Public Libraries (SKPL)** program since its very beginning. The SKPL program provides children the opportunity to explore science, technology, engineering, and math—STEM for short—in their own homes, with fun, hands-on activities in kits they can check out at more than 20 local public libraries in the Chicago area. In 2018, 12 of the backpack kits became available for S&C team members in Chicago to check out and to use to spend some quality STEM time with their children. The kits are targeted for children, and they include topics such as Bee-Bot Robotics, Simple Machines, and Magnets, as well as nine others.



Big Brothers Big Sisters

S&C launched the planning and funding for a program with **Big Brothers Big Sisters of Metropolitan Chicago**, enabling S&C team members to get more deeply involved in the local community. Through the initiative, children meet with 25 S&C volunteer mentors every other week to learn new skills and share mutual passions.

Team Member Initiatives

Besides the annual Giving Campaign, S&C team members also ventured out into the community for a variety of healthy activities. S&C, for example, was well represented at the **J.P. Morgan Corporate Challenge**, with 144 team members, dubbed the **S&C Power Pack**, participating from across all departments and top leadership.

Another unit of the S&C Power Pack turned out for Chicago's **Bike the Drive**, the annual opportunity to ride along Lake Shore Drive with no other traffic allowed. Twenty team members joined in for this, the first year S&C has sponsored registration.



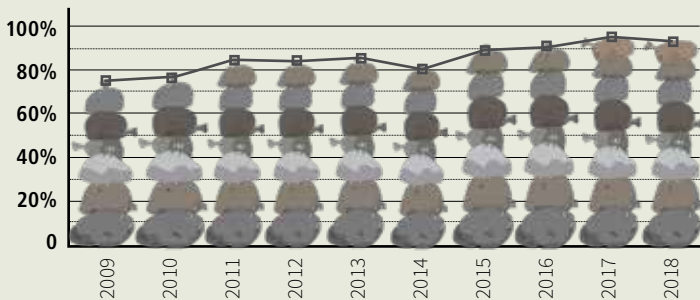
Several S&C team members also joined with ComEd to participate in the **Chicago Polar Plunge**. The fifth year S&C has supported ComEd in the plunge, the initiative raised \$1.5 million for **Special Olympics Chicago**.



Waste Diverted from Landfill and Recycling

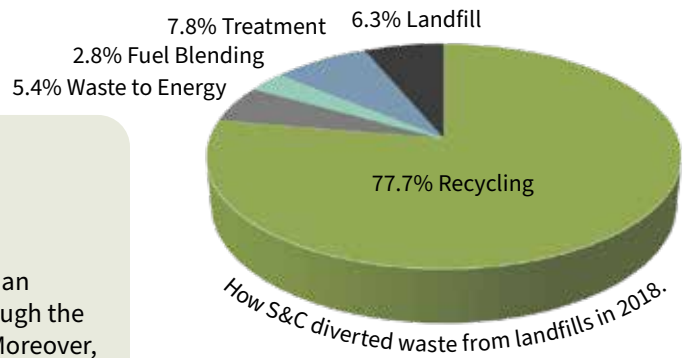
S&C expanded its workforce considerably, and this resulted in an increase in the amount of trash S&C is sending to landfills, though the company still avoided sending **93.7%** of its trash to landfills. Moreover, S&C segregated a lot more of its trash, and it recycled more in 2018. The company diverted **13.8 million pounds** from landfills in 2018. (See pie chart breakdown at right.) Helping drive S&C's continued effort to reduce the amount of trash it sends to landfills was the selection of a vendor that hauls a truckload (**12,000 pounds**) of plastics each month. S&C also found a vendor that would recycle things such as capacitors.

% Total S&C Waste Diverted From Landfills



S&C expects further improvement in 2019 with the launch of an initiative to recycle garnet stone from our water jet cutting machines. About two-thirds of one roll-off previously went to the landfill each month, totaling about **150,000 pounds** a year that now is being recycled. The company S&C uses to provide aluminum oxide also has begun to recycle it, equating to about **42,000 pounds per year**. S&C also recycled **12 tons** of boric acid and **a ton** of fiber drums.

Also helping curtail trash going to landfills is use of reusable packaging, with S&C reusing about **42,000 pounds** of packaging each month. S&C also switched to deploying small recycling bins at each Polymer Product molding station, as well as in other production areas, so as team members are working, they can separate out their recyclable waste streams trash instead of combining it in a closer single trash container. This area-specific trash separation is helping drive greater recycling across campus.



Used Battery and Scrap Electronics Disposal



In 2018, an initiative that allows team members to bring in their spent batteries resulted in **1,000 pounds** of batteries being recycled. A similar initiative also resulted in the collection and recycling of **49,000 pounds** of team members' used TVs and other electronics.

Composting

S&C set a company record for composting at its main manufacturing facility in Chicago, **growing by 15%**, to 36.7 tons from 31.9 tons in 2017. Helping achieve the milestone was a concerted effort to only use compostable items for all company and department celebrations.

S&C maintained companywide certification last year under the ISO 14000:2015 environmental management standard.

S&C Composting Diverted From Landfills (in tons)



*Composting program began in Q4 2016.

Safety-Improvement Initiatives

In 2018, S&C concentrated its global safety initiatives on reducing overall “hand incidents,” focusing on first-aid incidents and hand recordable injuries. Hand incident first-aid cases dropped by **37% year over year**, while hand recordable injuries **dropped by 61%** during the same time period.

Helping drive the reduction was the creation of a group consisting of senior S&C leadership, area leaders, shop floor team members, and other company senior leaders that routinely interacts with team members to look for and discuss opportunities to reduce hand injuries and to identify where expected future injuries might occur. All improvement opportunities identified are tracked, measured, and corrected.



S&C Recordable Hand Injuries

2015 | 32 total

2016 | 27 total

2017 | 28 total

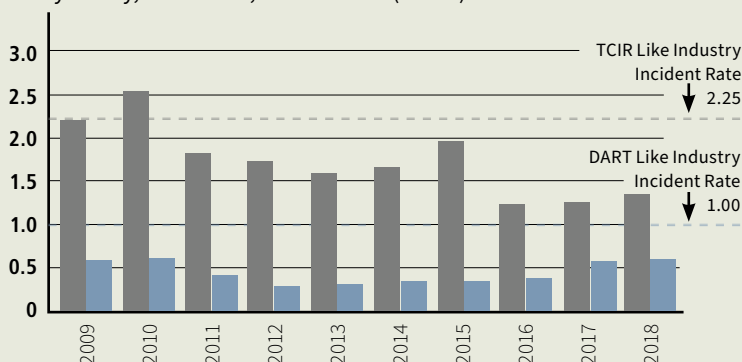
2018 | 11 total



S&C plans to conduct interactive shop floor team member and area safety hazard observations focused on ergonomics and slips/trips/falls for the coming year while maintaining the hand-safety improvements realized in 2018. Our

overall company Total Case Incident Rate (TCIR) and Days Away, Restricted, and Job Transfer (DART) rates continue to be lower than the industry average.

■ Total Case Incident Rate (TCIR)
■ Days Away, Restricted, Job Transfer (DART)



“Like Industry”: Injury and Illness Data – Bureau of Labor Statistics 2016

Other 2018 Safety-Improvement Initiatives included:



△ Completion of initial global companywide Health, Safety, and Environmental assessments, resulting in baselines S&C can use to gauge ongoing trends from planned bi-annual reassessments

△ Installation of Sit/Stand tables for office personnel that lets them stand when they want while working on their computers instead of sitting for often long hours

△ Installation of a tow chain to ease the movement of heavy metal containers

△ Construction of a new building to streamline the pad-mount gear tow line, resulting in improved productivity and ergonomics

△ Introduction of a variety of new hearing-protection ear plugs and the purchase of an audiometric test device that can measure the effectiveness of a team member’s individual ear plug choice and fit

△ A switch from annual to monthly “shoe mobile” fairs to provide more opportunity for team members to get their safety shoes in a timely fashion and take advantage of S&C’s annual shoe stipend

△ High-voltage electrical safety classes to update authorized team members on changes to industry safety standards and practices



S&C's Environmental Policy

Among the principles laid out in the S&C Electric Company Statement of Purpose and Guiding Principles is a determination that “all of S&C’s dealings will be bound by a rock-solid course of integrity” and a commitment to “maintain a strong and supportive relationship with our neighbors and the communities in which we work.”

These guiding principles are brought to life every day in a variety of ways, from a refusal to tolerate unethical conduct in any aspect of our business to an expectation that all S&C team members will work in a manner that respects the safety and well-being of those around them.

One of the key manifestations of these guiding principles is a commitment to responsible corporate citizenship with regard to the environment. Toward that end, S&C Electric Company will:

Abide by all accepted environmental practices, including meeting or exceeding applicable compliance obligations.

Minimize waste and implement prevention of pollution strategies, while striving for protection of the environment and greater use of sustainable sources of energy and materials.

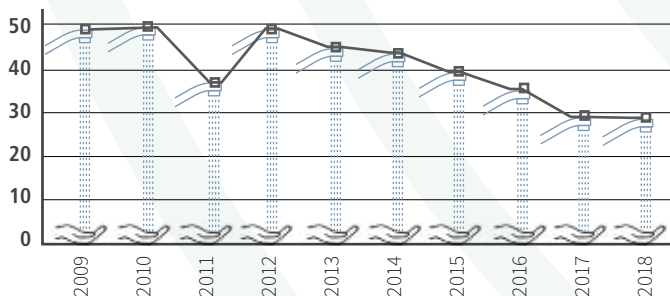
Continually improve environmental performance by setting, reviewing, and achieving environmental objectives and targets as applicable new knowledge and technology become available.



Water

S&C’s water use in 2018 continued its steady decline, to **57.4 million gallons, down 1.4%** from the previous year. Water use relative to facility size and production also fell, to a factor of 28.20, **down 1.7%** from 2017. The continual decline in water is the result of continual efforts to find ways to reduce water use.

USAGE FACTOR - Gallons/ft² per hour



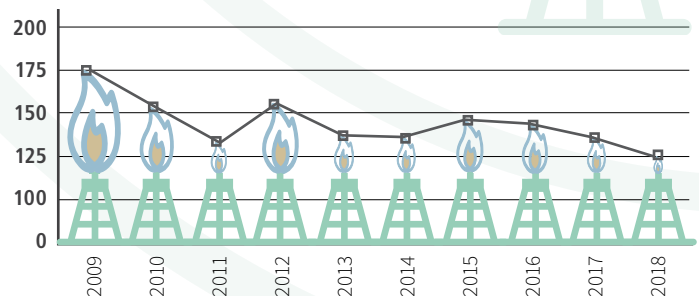
Water use at S&C relative to facility size and production.

Natural Gas

Total natural gas use rose in 2018, to 1.6 million therms, **up 6.7%** from 2017, driven primarily by weather. However, natural gas use relative to facility size and production was **down 7.7%**, to a factor of 125.8.



USAGE FACTOR - Therms/ft² per hour



Natural gas use at S&C relative to facility size, heating degree days, and production.

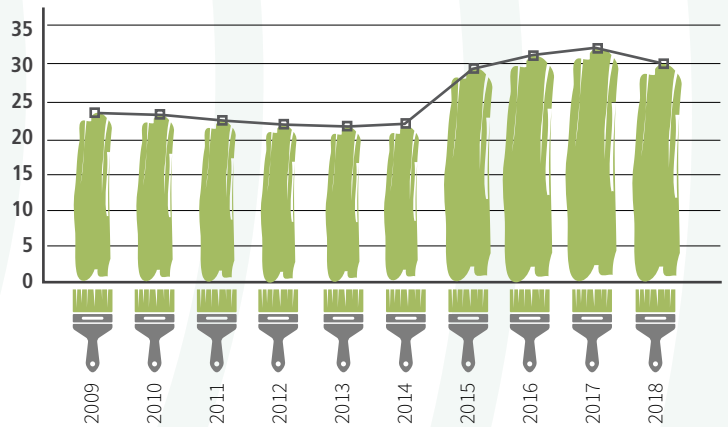


Emissions

S&C has made great strides to prevent loss of sulfur hexafluoride (SF₆) through a variety of changes and updated material and equipment, with the recovery rate now at **about 90%**, up from 80% in 2017 and just 30% in 2016. Better recovery reduces carbon dioxide (CO₂)-equivalent emissions, with one pound of SF₆ equaling 23,900 pounds of CO₂.

S&C's main manufacturing plant in Chicago produced 30 tons of volatile organic compounds (VOCs) in 2018, **down 6.5%** from 2017. S&C expects to see its VOC production to **drop by 95% in 2019** as the plant shifts from liquid to powder-on-powder painting.

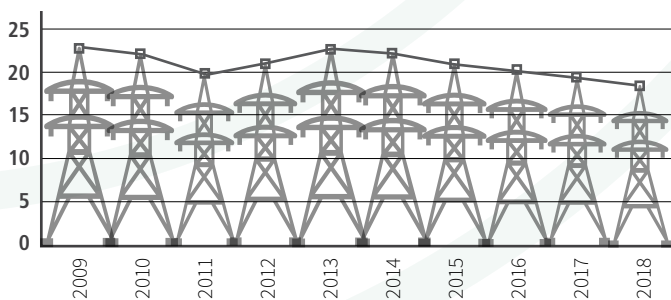
VOC EMISSIONS (in tons)



Electricity

As with its water use, S&C also remains focused on reducing its use of electricity, even at times of production growth. Electricity use at its Chicago headquarters totaled **37.8 million kWh, down 2.1%** from 2017. Power use relative to production also dropped, to a factor of 18.56, **down 2.5%** from 2017.

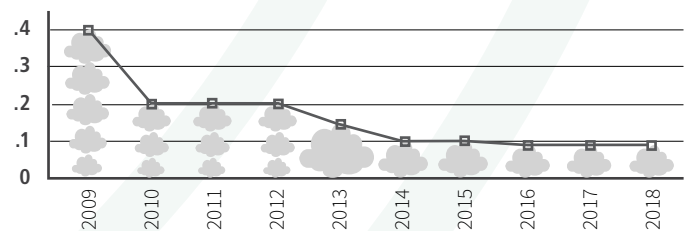
USAGE FACTOR - KWH/ft² per hour



Electricity use at S&C relative to facility size and production.

The shift to a powder-on-powder painting system also is expected to drive down S&C's production of hazardous air pollutants (HAPs), which last year remained **unchanged at 0.09 tons**. However, S&C expects its HAP production to **drop by 30% in 2019**. S&C also expects the new system to improve worker productivity, improve working conditions, improve team member safety, and provide better-quality products.

HAP EMISSIONS (in tons)



EUROPE, MIDDLE EAST & AFRICA

S&C's Europe, the Middle East, and Africa (EMEA) team members maintained certification under the ISO 14001:2015 environmental management standard. As part of this standard, the EMEA team keeps track of energy use and waste disposal.

Team members are continually reminded to be more mindful of their waste management and are encouraged to recycle. To encourage more recycling, the S&C unit removed bins from team members' desks in 2018 as motivation to use recycling bins.

All staff within the S&C unit undertake ongoing environmental-awareness training and take part in group discussions, helping to expand the team members' understanding of the environmental legislation the business operates within and to increase their knowledge of business responsibilities. Team members are also regularly asked for suggestions on how the business can improve its handling of waste.

ASIA PACIFIC

S&C's Asia Pacific team members upgraded all existing office lights in the Melbourne office to a more efficient LED lighting technology. This initiative was in partnership with Aussie Greenmarks, which offers free installation of LED lighting products for local businesses under the Victorian Energy Upgrades program. By taking advantage of this program, S&C was able to reduce its lighting energy consumption by approximately 70%, improve lighting quality, and eliminate lighting.



Community Support

S&C Asia Pacific took part in "A Youth Without Borders Initiative" program with Spark Engineering Camp. During the event, four S&C team members spent the day with 48 high school-aged students and their university mentors at Melbourne University. Spark's objective is to create access to university education for disadvantaged high-school-aged students through the provision of a free-of-charge university experience camp and an ongoing supportive community. The attending students came from a range of cultural backgrounds and from across Australia, and they received an excellent opportunity to see and hear what a life in engineering has to offer.

The S&C Asia Pacific business also hosted a team BBQ that raised a combined AU\$4,020 for a charity that donates food, gifts and household items to local families in need over the Christmas season.



Healthy Choices

The EMEA office in 2018 implemented Vitality Healthcare, which strives to promote a healthy lifestyle by rewarding team members with free cinema tickets and other great perks for walking and getting active. The scheme has given the team a healthier outlook through diet and exercise, while also providing great fun.

Other Highlights

- Encouraging car-sharing, with the aim to encourage team members to consider the environmental impact of business operations in relation to CO₂ emissions
- Reviewing the unit's key suppliers to ensure they comply with laws that apply to electrical goods, including RoHS (Restriction of Hazardous Substances), REACH, and Conflict Materials
- Preparing an energy summary document that compares 2017-2018 energy use data, with the aim being to enable the business to track whether its energy use is being reduced each year going forward



CANADA

S&C's manufacturing facility in Toronto undertook a project to renovate its lobby and front offices. At the heart of this project was an initiative to replace old, inefficient technology and to reduce landfill use.

The renovation included switching from fluorescent lighting to a more energy efficient LED lighting system. This change is expected to save the facility more than **43,100 kWh/year**.

During the renovation, **2,600 pounds** of carpeting was recycled, and S&C received a Certificate of Environmental Stewardship from Viking Recycling for its efforts.

Additional Impacts

The Toronto facility recycled approximately **3,290 pounds** of grease trap waste from the cafeteria. A company each month pumped out the grease trap and delivered the fat, oil, and grease to a farm that has an anaerobic bio-digester. The farmer then used the methane gas that was generated to heat farm buildings, including two houses, and to generate electricity that was sold back into the grid.

The cafeteria used and **recycled 417 pounds** of cooking oil by sending it to a local poultry farm, where it was cleaned and processed so it could be added as an ingredient in chicken feed.

Team members were encouraged to bring their own household e-waste (electronic equipment that may contain hazardous materials) as part of an Earth Day campaign. When combined with e-waste generated within S&C, the facility collected a total of **2,430 pounds** of e-waste.

S&C's Toronto facility also collected and recycled a combined **1,572 household and industrial light bulbs** (totaling 730 pounds) and **1,400 pounds** of batteries used internally and brought in by team members from home.

Community Initiatives



Throughout the year, the Toronto facility continued to support the community through several charitable events:

Manulife Ride for Heart. S&C team members participated in their choice of a 50-km bike ride, 10-km run, or 5-km walk in support of the Heart & Stroke Foundation. This year, they raised \$2,550.

Christmas Toy Drive. S&C partnered with Toronto Fire Services to provide toys for less-fortunate children in the Greater Toronto Area. This year, the Toronto facility raised \$1,700 for this worthy cause. (See inset photo above left.)

Toronto Corporate Run. S&C team members participated in a 5-km run/walk, raising **more than \$1,700** for the Centre for Addiction & Mental Health.

Team Member Well-Being and Development

S&C is committed to the health, well-being, and development of its team members. The Toronto facility carried out various initiatives toward that goal.

It **established the Canadian Women's Group** (CWG), a professional networking and development group. Some 35 team members joined the group, which hosted various educational, developmental, and social events.

Team members **continued participation in a fitness initiative** that provides them with the opportunity to get some exercise or do some stretches during their otherwise busy schedule. As part of the initiative, a personal trainer provides fitness classes twice per week and visits each department on those days to lead 3-minute stretching sessions in the team members' work area.

The company **launched a cell-phone awareness campaign** with the slogan "if you're looking down, you're not looking around." The intent of this safety initiative was to raise awareness among team members that they should be aware of their surroundings while walking around the shop floor.



MEXICO, CENTRAL AMERICA, AND CARIBBEAN

S&C's Mexico, Central America, and Caribbean (MCAC) business continued to advance its efforts to improve the environment and team member safety. During the year, S&C completed three important audits to keep with our commitment on this regard. This included follow-up audits to maintain certification in the ISO 14001:2015 and OHSAS 18001:2007 standards; internal Health, Safety, and Environmental assessment audits; and Secretaría del Trabajo Y Previsión Social (Mexico Secretary of Labor and Social Welfare) audits toward obtaining "Safe Company" distinction.

Environmental Highlights

S&C's MCAC business continued work toward improving its environmental performance. During the year, the business registered 105 improvements, **13% more than the previous year**, and half (52) related to environment or safety. These improvements resulted in more visual aids for identification of risks, placement of safety guards, improved ergonomics, and more efficient and safer processes.

Continuous Improvement

The MCAC business completed three projects in the production lines that helped to make safety and environment improvements.



It installed a dust collector with greater capacity, power, and range and that generates less noise. This helped boost productivity and area cleanliness and considerably reduced team member exposure to dust.

It modified the production line preheating and curing station of the tube in the resin pumping process by converting from use of an oven for both functions to a separate and more efficient process.



In the Loadbuster®—The S&C Loadbreak Tool area, it adapted the workstations to avoid having to share tools and to make setups, which decreased accident risk caused by tooling manipulation.

In the Alduti-Rupter® Switch area, it modified the general layout to occupy 40% of the space previously used, making material handling more efficient, avoiding manual loads, and improving ergonomics and time for each operation.

MCAC TCIR and DART Rates

For the MCAC business operations, no Days Away, Restricted, or Transferred (DART) injuries occurred, and there were no recordable injuries for the Total Case Incident Rate (TCIR) index. The first-aid accidents increased to seven cases from four the previous year, and the emphasis in 2019 is on working to reduce such events.

Waste Diverted from Landfill and Recycling

With a goal to reduce waste sent to landfills and to increase recycling, S&C MCAC was able to counter the impact from a 21% increase in staff and 11.5% increase in production with a disproportional increase in waste sent to landfills. In 2018, waste sent to a landfill **only increased by 1.9%** while recycling of scrap metal, cardboard, plastics, and wood **increased by 14%**.



Inclusion Infantil Teletón (Center for Rehabilitation and Child Inclusion Teletón Children Network).

Community Support

In March 2018, MCAC team members donated and delivered a check for 5,021.60 pesos (\$US260.46) to the Centro de Rehabilitación e

Team Member Events

Throughout the year, S&C's MCAC business holds various events with team members and their families help improve company-integration skills, communication, teamwork, sense of urgency, responsibility, and other abilities. In doing so, these events help team members feel more engaged with the company, resulting in an improved work environment and enhanced productivity.





SOUTH AMERICA

Health and Safety Highlights

S&C's operations in South America continued participating in an Early Warning Safety Program. The program helps S&C protect its team members by preventing accidents. S&C team members began disseminating the safety plan with other Brazilian companies that are part of the same industrial complex to help maintain a safe environment there. S&C's goal is to help those companies change their safety mindset from reactive to preventive behavior.

Other Health and Safety Activities

The team installed speed-limit, fork-lift, and attention safety signs throughout the industrial complex that houses the operations and that is shared with other companies.

It created a Fire Brigade group that extended S&C's own Fire Brigade to include participation among other companies within the industrial complex.

Environmental Highlights

Environmental activities included reusing 20 woods crates and pallets for transporting with S&C Vista® Underground Distribution Switchgear, as well as sorting and recycling trash by material type (organic, plastic, glass, and metal).



Team Member Initiatives

Each month, team members organize half-hour team-building events during which birthdays for the month are celebrated through song, tasty snacks, and good moments, which are enjoyed among team members.

CHINA

Safety

During 2018, S&C's manufacturing facility in China required no first-aid treatments, experienced no on-site health care claims, and had no Lost-Time Injuries. The Days Away, Restricted, or Transferred (DART) rate was zero, and it had remained that way for **952 consecutive days** leading up to the end of the year.

Team leaders held daily safety talks and conducted job-safety analyses for all work stations to identify safety concerns or hazards. This resulted in implementing safety countermeasures, including installing blue lights on the front and rear of forklifts so they could be seen better and more quickly by approaching team members.

Environmental Initiatives

In 2018, the S&C plant in China published an environment emergency plan and trained team members on how to best use the plan.





S&C ELECTRIC COMPANY
Excellence Through Innovation

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