



# EMPOWERING PEOPLE, TRANSFORMING THE GRID

2023 SUSTAINABILITY REPORT





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# INTRODUCTION



## About This Report

This 2023 Sustainability Report details S&C Electric Company’s sustainability strategy, aspirations, key milestones, and results to date. It covers the period from January 1, 2023, to December 31, 2023, except where otherwise noted.

Guided by our Purpose, Vision, and Mission, and supported by our Values & Guiding Principles, we are dedicated to transforming the grid for a more sustainable energy future while caring for our team members, customers, and communities. In 2023, S&C continued to advance the strategy, reporting, and disclosure around our sustainability efforts, including the environmental, social, and governance (ESG) issues that matter most to our stakeholders.

S&C’s sustainability pillars and material topics guide our reporting disclosures. This report was also developed with reference to the Global Reporting Initiative (GRI) standards as well as other established sustainability and ESG reporting frameworks, such as the United Nations Sustainable Development Goals.



# CEO Message

There has never been a more important time to be in the electrical industry. The ongoing energy transition toward clean electricity and the impacts of climate change are driving investment in a resilient and reliable electrical grid. That grid starts with S&C and our team members, who are the heart of everything we do. Working together, our innovative technologies help customers solve some of our planet’s biggest challenges.

None of this is possible without our team members; their health and safety are our top priorities. To emphasize this importance, all meetings open with a “safety moment,” where we acknowledge potential risks and how to handle them. Additionally, we expanded nursing staff availability and launched a new multi-faceted ergonomics program to prevent musculoskeletal and soft tissue injuries. We also focused on employee engagement activities to foster a safety culture throughout the year.

These activities highlight our safety mantra: “If you see something, say and do something.” We believe all safety incidents are preventable. And, as reported via our engagement survey, 90% of our team members believe S&C is committed to their safety.

We are proud of our diverse workforce and continue to focus on ensuring an inclusive and equitable working environment that reflects our core value of Respect for People. In 2023, we expanded healthcare benefits for domestic partners and instituted mandatory inclusion and implicit bias training for all company leaders. All Quarterly Leadership Meetings feature a DE&I moment to emphasize our continuing progress.

This year, we formalized our decarbonization goals with a commitment to achieve net zero emissions by 2050 and interim reduction targets by 2030. We are off to an excellent start in pursuing these ambitious targets. Our manufacturing processes have been 100 percent powered by renewable sources globally since 2020. And compared with our baseline year, 2014, we have reduced our greenhouse gas (GHG) emissions by 78 percent.

Alongside these achievements, we continue to drive innovation in technology and product development. In 2023, we launched the first self-healing solution for residential underground distribution circuits, the EdgeRestore® Underground Distribution Restoration System. Developed in close collaboration with one of our customers, this industry-leading solution identifies faults in single-phase underground residential circuits. It then reroutes electricity from an alternate source within 60 seconds, reducing extended power outages for residential consumers and advancing grid resilience.

In 2023, we announced the expansion of our footprint across the U.S. with a 275,000-square-foot facility in Palatine, Illinois. This facility, expected to be fully operational this year, expands our capacity and enables us to meet the growing demand for our technology.

As we grow, sustainability is a significant consideration in construction, upgrades, and enhancements. We are pleased Palatine will achieve LEED certification and be fully enabled for electric vehicle charging.

Finally, on our Chicago campus, we unveiled the Arlys Conrad Memorial Park and Native Pollinator Gardens. The 12,500-square-foot garden is open to the public and includes 45 plant species, many of which provide a habitat for essential pollinators. We embrace our Value



& Guiding Principle of Responsible Stewardship in our communities by supporting activities such as the native garden, recycling events, volunteer efforts, and, more broadly, through the S&C Fund. Through this fund, we donated over \$1 million to more than 50 organizations in 2023.

On behalf of S&C, I want to thank our team members for their excellent work and commitment to S&C and our customers.

To our customers and partners, I thank you for your collaboration, support, and trust. Together, we will transform the grid and advance an outage-free, sustainable electrical energy future.

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

**Anders Sjoelin**  
President and Chief Executive Officer  
S&C Electric Company  
*July 2024*



# About S&C Electric Company

More than 100 years ago, S&C transformed electricity distribution with the invention of the Liquid Power Fuse, leading to a new era of safer and more reliable power delivery. Today, S&C’s diverse, global workforce develops and manufactures innovative solutions for a more intelligent and resilient electrical grid. Building on this legacy of technological innovation and customer service, S&C empowers the transformation of the grid for an outage-free, sustainable electrical energy future.

S&C is an employee-owned company that operates with a people-first mentality. We cultivate an inclusive workplace with career growth opportunities to support our team members as we transform the grid together.

With hundreds of patents, we build on our century of industry expertise to innovate for a more resilient and reliable electrical energy future and the evolving needs of our global customers. Learn more at [sandc.com](https://sandc.com).

▶ Video: [This is the future. This is S&C.](#)



## 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 4,000+ team members



Specializes in the switching, protection, and control of electric power systems



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



# Our Purpose, Mission, Vision, and Values & Guiding Principles

Our people embody our Purpose, Vision, Mission, and Values & Guiding Principles every day.

## Our Purpose

Empowering people to transform the grid.

## Our Vision

Together, we create an outage-free, sustainable electrical energy future.

## Our Mission

Build upon our legacy of caring for team members, excellence in customer service and operations, and technology leadership to deliver innovative solutions for a safer, reliable, resilient electrical grid.

## Values & 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 Approach to Sustainability

Our team members and customers are central to our success, and we uphold a culture that keeps them at the center of our decision-making. Our Values & Guiding Principles are the foundation of our approach to sustainability, and we recognize our responsibility to be good stewards of the environment and the communities in which we work.

## SUSTAINABILITY STRATEGY

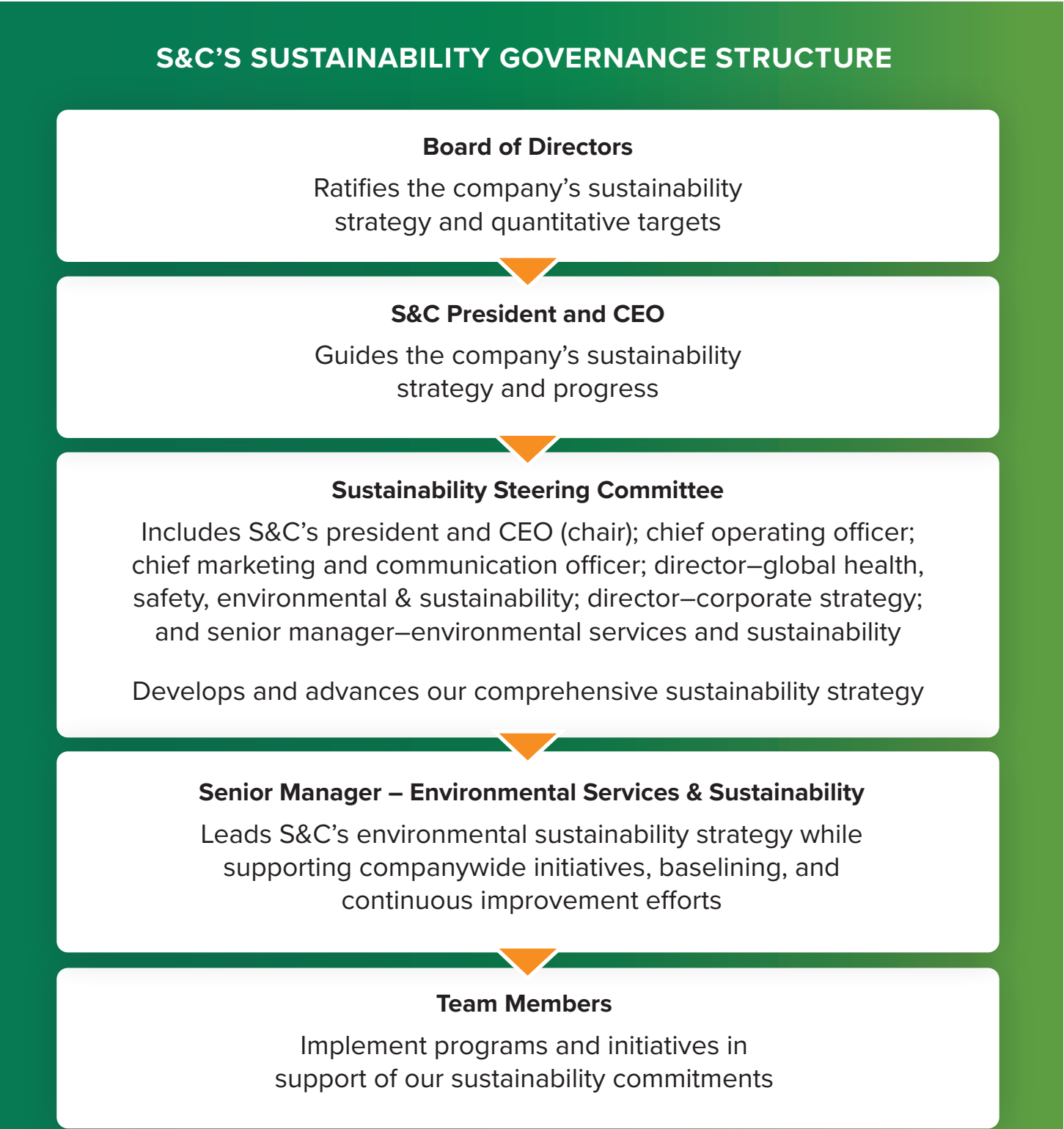
Our sustainability strategy and pillars directly align with S&C’s corporate strategy and guiding principles, which serve as the foundation for our actions and decision-making. This alignment underscores the importance of sustainability at S&C and its critical integration into the expectations we have for ourselves and our aspirations for the future.

We work closely with our customers to deliver innovative solutions for a more resilient and reliable electrical grid. Through these relationships, we address the ever-evolving needs of our industry, stakeholders, and planet through innovation and teamwork. Working together, we enhance existing programs, advance key initiatives, and transform our processes, products, and services in support of S&C’s Vision.

In 2023, we emphasized the critical role S&C plays in the ongoing global transition to clean electricity. In response, we strengthened our focus on our Operational Excellence pillar and formalized our commitments to environmental sustainability. Read more in [Operational Excellence](#).

## SUSTAINABILITY GOVERNANCE

S&C’s sustainability strategy is overseen by our president and chief executive officer (CEO), with roles and accountability established throughout the entire organization.





## S&C'S SUSTAINABILITY PILLARS AND MATERIAL TOPICS

Our three sustainability pillars focus on key topics where our organization can have a measurable impact on the challenges facing our world.



### Operational Excellence

Embracing our Value & Guiding Principle of Responsible Stewardship to demonstrate our commitment to sustainability in all areas of our operations and solutions

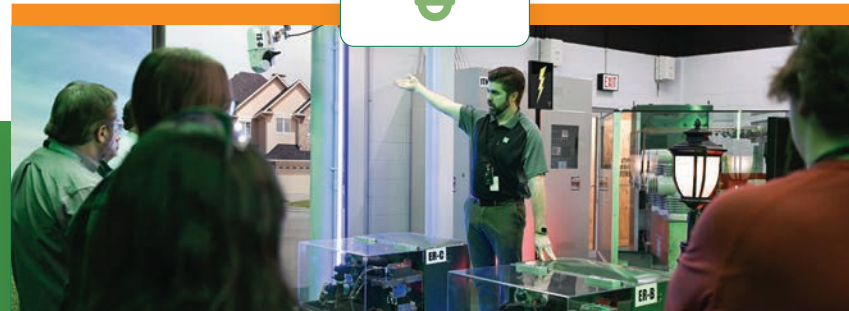
- Climate Change and Decarbonization
- Energy Efficiency
- Waste Management
- Air Quality
- Water Conservation
- Supply Chain Management



### 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
- Team Member Well-Being
- 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 Quality
- Product Safety
- Products and Solutions
- Customer Focus and Support



# Ethics, Integrity, and Governance

We commit to the highest standards of ethics, integrity, and governance and believe these elements are critical to S&C’s long-term success.

## ETHICS AND INTEGRITY

S&C commits to treating all team members, customers, suppliers, and stakeholders fairly; to acting ethically; and to upholding the highest standards of integrity in our operations and business dealings. Our Values & Guiding Principles drive our actions, enabling us to build long-term relationships and uphold our reputation as a trusted partner and esteemed employer.

Our associate general counsel, global compliance, labor, and employment and our ethics and compliance director are responsible for our compliance program, policies, and procedures. These compliance professionals report directly to the general counsel and are under the purview of S&C’s president and CEO, as well as the audit committee of the board of directors. The general counsel and ethics and compliance director serve as chair and co-chair, respectively, of the S&C Compliance Committee, which includes global leaders from each functional area and members of our senior leadership team.

Members of the S&C Compliance Committee work together to oversee our 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 codifies 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 we are known

- Strive to ensure S&C complies with all applicable laws, rules, standards, best practices, and regulations
- Protect S&C’s assets

Team members are encouraged to report any work-related behavior that may be a violation of the 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 solutions to ensure effective compliance and controls.

### Embodying Our Commitment to Ethics and Integrity

In 2023, we partnered with a third party to conduct our first Employee Ethical Culture Survey to better understand our team members’ engagement in and perception of our ethics and compliance culture. The results of this survey revealed:

- 89.3 percent of team members reported S&C has clearly communicated ethical expectations to them.
- 88.3 percent of team members reported they knew how to report ethical concerns or observed misconduct at S&C.
- S&C scored nearly 6 percent above the third party’s peer-group benchmark for the rate at which team members would report misconduct, if observed.

Based on the survey results, we implemented a new Web-based intake form, streamlining the process for managers and human resources to document reports of ethical concerns. We also developed a new disciplinary policy and matrix. We plan to conduct this survey again in 2025 to continue refining our culture of integrity and excellence.





CORPORATE GOVERNANCE

As a privately held, employee-owned company, S&C makes decisions for the long-term benefit of our team members while aligning with our sustainability objectives. We believe strong corporate governance is central to this commitment and the success of our business. Guided by S&C’s board of directors (the board) 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

S&C’s board oversees the strategic direction and operational performance of the company in addition to leading senior leadership succession planning. The board supports the long-term interests of team members and, in keeping with our Values & Guiding Principles, always considers our full range of stakeholders in decision-making.

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 its chair, John Estey, former S&C president and CEO. Thirty-three percent of the board members are diverse in race, ethnicity, or gender.

When selecting new board members, the board’s governance committee uses a detailed skills matrix with the objective of bringing diverse and complementary perspectives to guide the business. 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 COMMITTEES' OVERSIGHT SUMMARY

Board Committee	Oversight Responsibility
Governance	<p><b>Assists the board in overseeing board structure and governance practices, including:</b></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><b>Assists the board in carrying out its overall responsibility relating to:</b></p> <ul style="list-style-type: none"><li>Executive compensation, including compliance 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><b>Assists the board with respect to matters involving accounting, financial reporting, internal control, and risk management in its oversight of:</b></p> <ul style="list-style-type: none"><li>The integrity of S&amp;C’s financial statements</li><li>The strength 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>



Executive Leadership Team

Under the direction of the board, S&C’s executive leadership team sets and executes our corporate strategy to provide long-term value for our customers and team members.

The executive leadership team creates the roadmap for innovation, accountability, and continuous improvement in line with business and sustainability objectives. These objectives include increasing the gender and ethnic diversity of our leadership team. As of year-end 2023, 33 percent of our executive leadership is diverse in terms of gender, race, or ethnicity.

S&C’s Governance Policies

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

Expanding Collaboration and Advocacy

In 2023, S&C established a government relations function to foster better industry collaboration and advocacy on key legislation and regulations that impact our industry. This function focuses on policy analysis and educational outreach to third-party stakeholders on issues relevant to our business. In addition, the government affairs director also monitors and engages in a variety of legislative and regulatory efforts at the federal, state, and local levels and tracks federal funding opportunities for grid modernization.

S&C maintains the following relationships to support the government relations function:

- National Electrical Manufacturers Association (NEMA)
- National Association of Manufacturers (NAM)
- Advanced Energy United (AEU)
- Edison Electric Institute (EEI)
- American Public Power Association (APPA)
- National Rural Electric Coop Association (NRECA)
- GridWise Alliance





## ENTERPRISE RISK MANAGEMENT

S&C's key internal and external risks are managed through our Enterprise Risk Management (ERM) program, which is overseen by the board. The ERM program identifies, assesses, measures, and monitors business risks while promoting strategic priorities, including safety, innovation, operational excellence, global growth, and human development. The systematic identification, assessment, and monitoring of risk is designed to facilitate effective decision-making and drive business performance.

In 2023, S&C established a separate information technology risk management team focused solely on cybersecurity matters and protection of our sensitive information and customer data. The board reviews cybersecurity matters and strategy on a quarterly basis. We also established a corporate cybersecurity council with senior leadership representation. The council meets monthly to review all elements of cybersecurity strategy, key risk indicators, and the latest cyber-related events.

## INFORMATION SECURITY

S&C's information security program governs the handling, storage, and deletion of all printed and digital information while conducting business. Team members are required to manage private and confidential information with care and in accordance with our documented processes and all applicable laws and regulations. We require 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 our team members, customers, suppliers, and contractors.

All team members are responsible for adhering to our privacy and cybersecurity policies and protocols to promote security throughout S&C. Introduced in 2023, our cybersecurity awareness training consists of three distinct security courses with 11 topic-specific training modules. Each year, all S&C team members with access to external internet and email are required to complete cybersecurity awareness training. In addition, formal, role-based training is provided, as needed, to team members with cybersecurity roles or job duties or with interest in professional development in this area. A portfolio of cybersecurity training is also available to the software development teams.

In 2023, S&C made the decision to align our information security program with the International Standards Organization (ISO) 27001 standard. This will enable us to enhance our privacy and cybersecurity controls 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.

ISO 27001 certification audits will commence in 2024 to validate the enhancements to S&C's information security management system and conformance to ISO 27001. We will implement continuous improvement activities based on the results of the ISO 27001 certification audits.







# OPERATIONAL EXCELLENCE



Our Value & Guiding Principle of Responsible Stewardship drives how we manage the environmental impact of our business activities. 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 2023) and our four global locations.

- 13. Climate Change and Decarbonization
- 18. Energy Efficiency
- 20. Waste Management
- 22. Air Quality
- 23. Water Conservation
- 24. Supply Chain Management



# Climate Change and Decarbonization

S&C works to mitigate the impact of our operations on the environment through our comprehensive environmental sustainability program, which includes our stated commitment to achieve net zero greenhouse gas (GHG) emissions by 2050.

## ADVANCING OUR DECARBONIZATION STRATEGY

We have made steady progress since our decarbonization journey began in 2014, reducing our absolute Scopes 1 and 2 emissions by 75 percent and 37 percent, respectively. These reductions are a result of new technology, process improvements, and capital investments that promote energy efficiency and reduce our fuel consumption.

In 2023, we took meaningful steps to advance our decarbonization strategy, including formalizing our decarbonization goals. With an ultimate goal of achieving net zero emissions by 2050, our strategy includes developing more sustainable alternatives for some of our switching products that rely on sulfur hexafluoride (SF<sub>6</sub>) gas, increasing our energy efficiency, reducing use of natural gas, investing in renewable energy generation, and evaluating our supply chain emissions.

S&C's board of directors has reviewed and approved this strategy. It reflects key metrics, performance indicators, and medium- to long-term targets integrated across all applicable areas of the business and within our growth plans. We referenced the [Science Based Targets initiative](#) best practices in setting our targets, choosing a 2014 baseline in accordance with our first emissions inventory. We also used the [United Nations Sustainable Development Goals](#) (UN SDGs) framework to develop our strategy and are pursuing activities associated with the Scopes 1, 2, and 3 emissions reductions.

Our environmental sustainability strategy will continue to evolve. From accelerating our sustainability targets to investing in our teams, our efforts to advance decarbonization and waste management initiatives remains a top priority.

**[S&C's Environmental Policy Statement](#) outlines our approach to reducing our environmental impact and highlights our key commitments.**





MID- AND LONG-TERM DECARBONIZATION TARGETS

Emissions	UN SDG	Mid-term Targets	Long-term Targets
Scope 1 – Direct	<div><div>7 AFFORDABLE AND CLEAN ENERGY</div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div>13 CLIMATE ACTION</div></div>	<ul style="list-style-type: none"><li>• Reduce emissions by 85% from 2014 to 2030</li><li>• Reduce natural gas use by 30% from 2014 to 2030</li><li>• Reduce SF<sub>6</sub> gas emissions by 89% from 2014 to 2030</li><li>• Eliminate SF<sub>6</sub> gas use in Scada-Mate® Switching Systems by 2030</li></ul>	<ul style="list-style-type: none"><li>• Reduce emissions by 90%-95% from 2014 to reach net zero target by 2050</li></ul>
Scope 2 – Indirect Purchased Energy	<div><div>7 AFFORDABLE AND CLEAN ENERGY</div></div>	<ul style="list-style-type: none"><li>• Develop roadmap to invest in renewable energy generation by 2025</li><li>• 100% electricity generated via owned or leased renewable energy sources by 2030*</li></ul>	<ul style="list-style-type: none"><li>• Invest in renewable energy generation</li></ul>
Scope 3 – Indirect Value Chain	<div><div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div></div>	<ul style="list-style-type: none"><li>• Develop global baseline by 2025</li></ul>	<ul style="list-style-type: none"><li>• To be determined based upon baseline</li></ul>

\*S&C has purchased renewable energy certificates since 2020 to meet 100% of global electricity use. Read more in [Energy Efficiency](#).



We developed specific strategies to reduce our Scopes 1 and 2 emissions, and we have worked to better understand our Scope 3 emissions to achieve our decarbonization targets, as outlined below:

Scope 1 Emissions

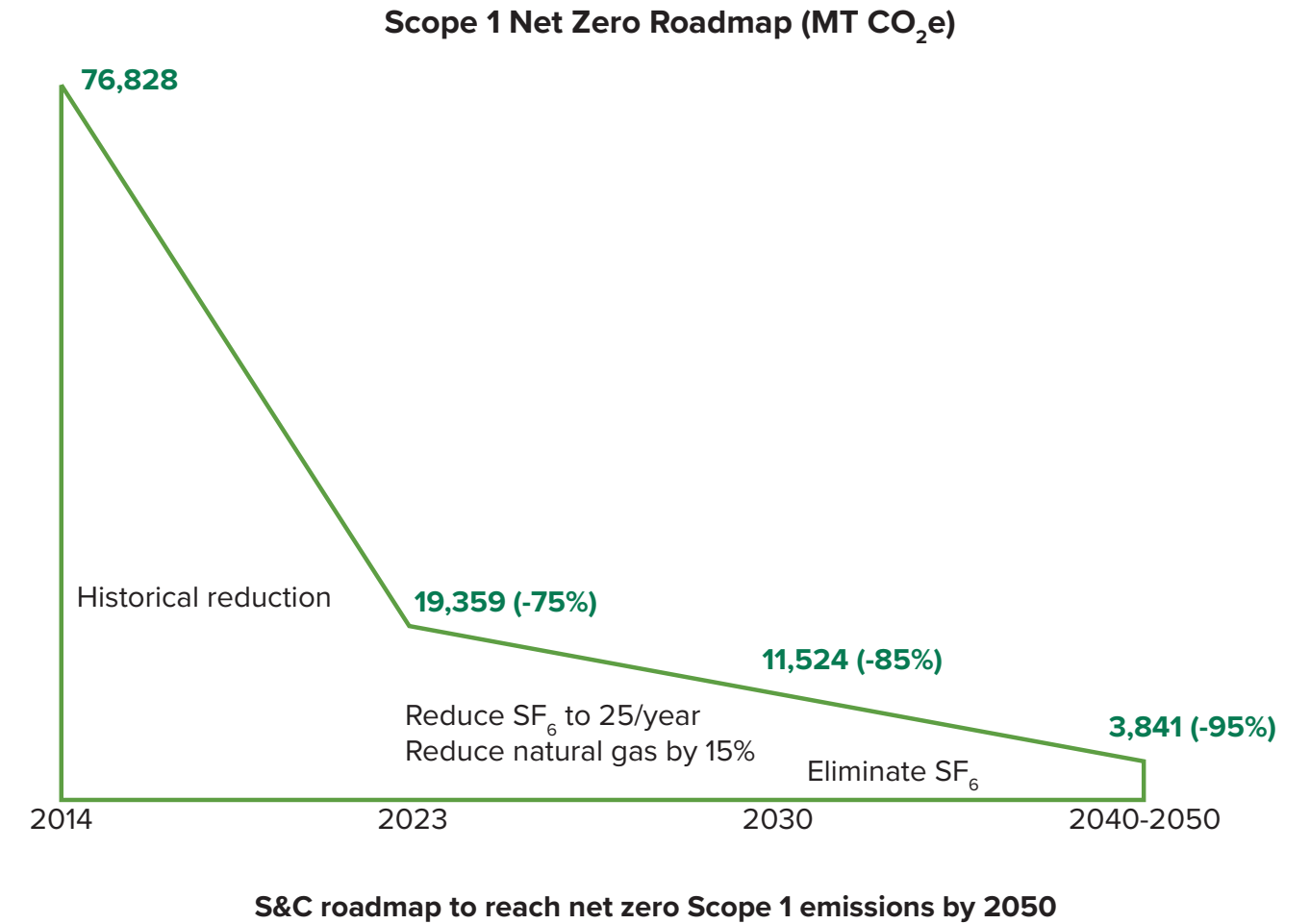
To build on our progress to date, we are focused on addressing two main sources of emissions: the use of SF<sub>6</sub> gas and stationary sources that run primarily on natural gas.

**Reducing, and eventually eliminating, SF<sub>6</sub> gas:** Our sustainability, quality, production operations, and engineering teams are collaborating to implement production technologies and process improvements to reduce emissions that occur during the production of products containing SF<sub>6</sub> gas, and throughout these products’ lifetimes.

Longer term, we aim to eliminate SF<sub>6</sub> gas from our products as we continue to develop more sustainable product alternatives. By 2030, we intend to transition our Scada-Mate® Switching Systems from the use of SF<sub>6</sub> gas. We continue to work with our supply chain partners to source and innovate alternative solutions that maintain or exceed the quality and performance our customers expect from S&C.

Read more in [Product Innovation & Sustainability](#), including information about our products that do not contain SF<sub>6</sub> gas.

**Investing in energy efficiency:** Most of S&C’s fossil fuel emissions come from stationary sources, such as boilers, heaters, and ovens, at our Chicago and Toronto facilities. With our investments in energy efficiency, we aim to reduce these emissions. For example, in 2023, our Toronto facility conducted an energy audit aimed at uncovering energy efficiency opportunities, which resulted in both no-cost and capital expenditure recommendations (e.g., process-related changes, upgrading equipment, and reducing heat losses). In 2024, we will implement applicable energy efficiency improvements identified by the audit. We also plan to conduct an audit at our Chicago campus to identify and implement energy efficiency improvements.





Scope 2 Emissions

Renewable energy presents the largest opportunity to reduce our Scope 2 location-based emissions, and we are exploring photovoltaic (PV) solar installation projects as an option at various S&C sites. We are also assessing other opportunities, such as grid-connected private and community solar projects, to determine viability and benefit to S&C’s decarbonization efforts. Read more about our renewable energy efforts in [Energy Efficiency](#).

Scope 3 Emissions

We continue to take steps to better understand our Scope 3 (value chain) emissions, including all applicable categories, with a mid-term goal to establish our global baseline by 2025. Scope 3 emissions are estimated to represent more than half of all S&C’s emissions. Our estimates include six of the 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.

In 2023, we refined our estimates, with a focus on our Chicago campus. We identified emissions from purchased goods (Category 1) as representing more than half of our Scope 3 emissions in Chicago attributable to our use of iron and steel, aluminum, and epoxy resin. In 2024, we will aim to create a global Scope 3 baseline, which will allow us to develop an action plan to effectively reduce these emissions in 2025 and beyond.

Aligning with the United Nations Sustainable Development Goals

We leveraged the UN SDGs framework to develop our decarbonization strategy and targets. Specifically, we aligned with three UN SDGs:



**7. Affordable and Clean Energy:** Efforts include our development of intelligent solutions to navigate the energy transition and help our customers ensure resilient and reliable power worldwide, capital investment projects to improve the energy efficiency of our global facilities, and identification of opportunities to invest in renewable energy to power our campuses.



**12. Responsible Consumption and Production:** Efforts include our environmental stewardship and lean manufacturing values. These guide us as we enable a circular economy that eliminates waste and pollution from our products and operations while keeping materials in circulation for as long as possible.



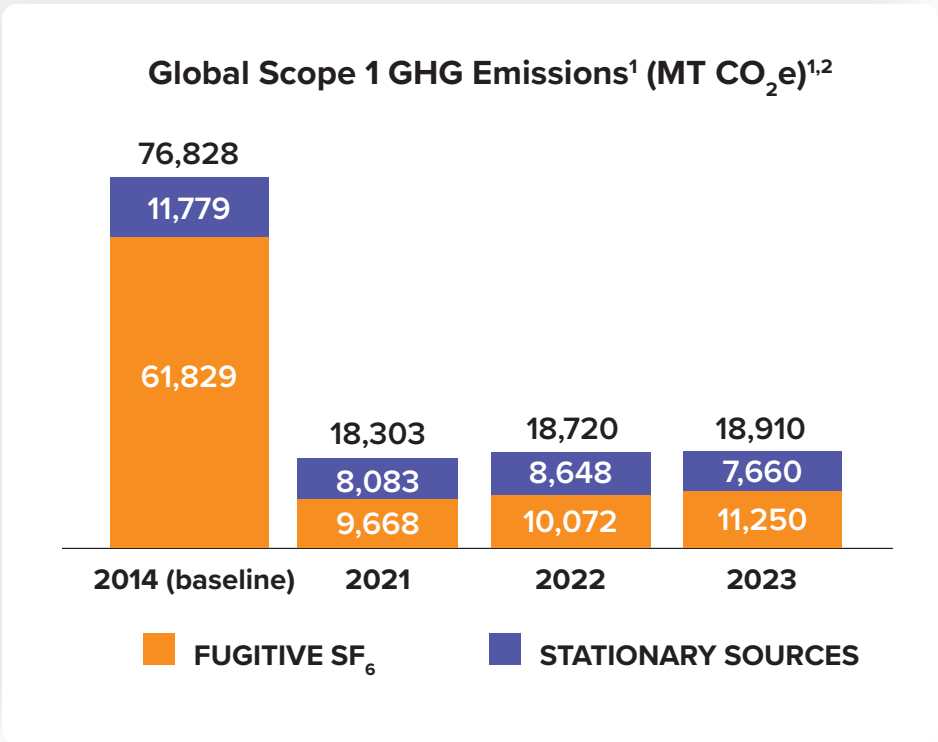
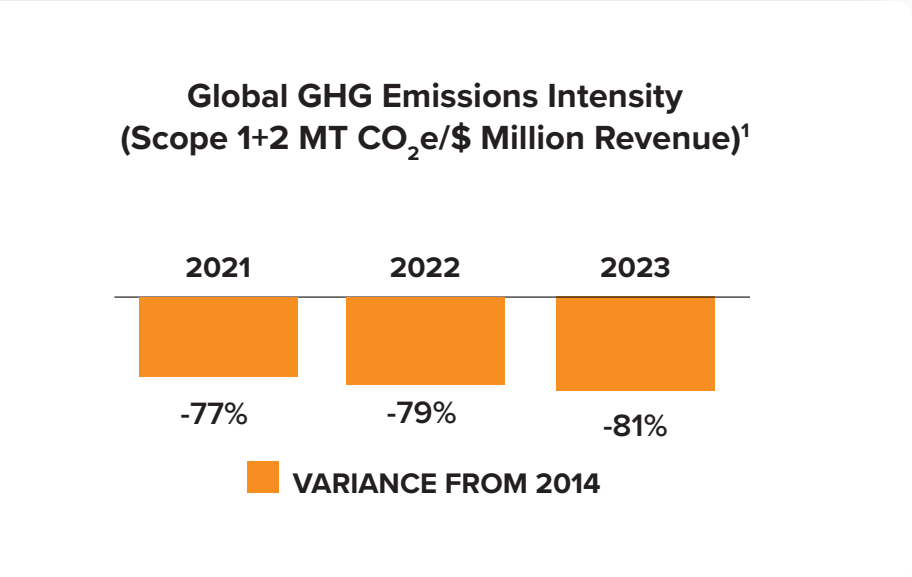
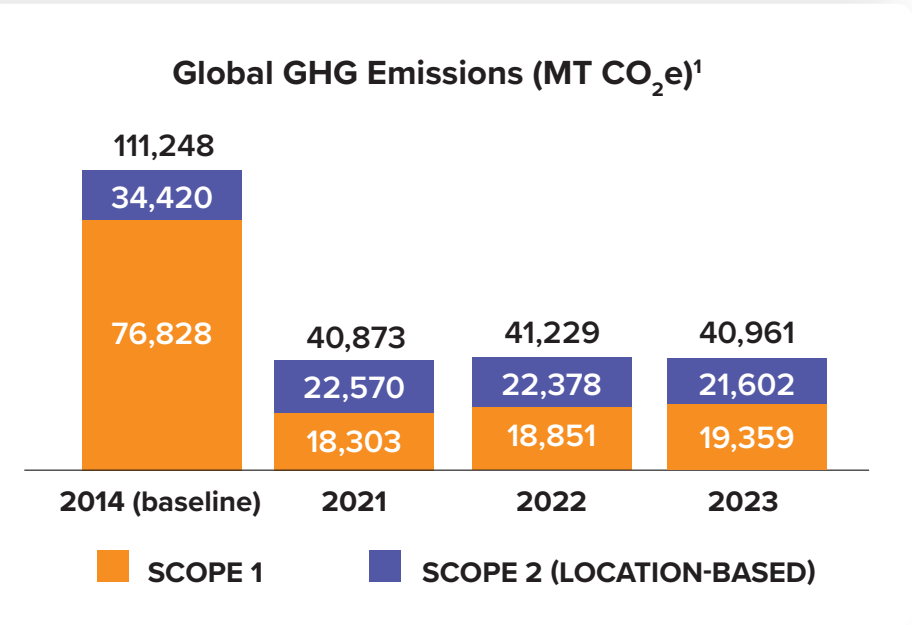
**13. Climate Action:** Efforts include embracing the opportunity to support the electrical industry in mitigating the impacts of climate change by lowering the GHG emissions associated with electrical systems and enabling the transition to cleaner energy sources.





SCOPES 1 AND 2 GLOBAL GHG EMISSIONS

In 2023, a third-party auditor certified our Scopes 1 and 2 emissions for the second year in a row in accordance with the globally recognized Greenhouse Gas Protocol. Our Scope 1 and SF<sub>6</sub> gas emissions increased 3 percent and 12 percent, respectively, compared to 2022. This was attributed to increased sales of one of our product lines containing SF<sub>6</sub> gas. However, process-improvement projects have resulted in a continued decline of our global GHG emissions intensity.



Demonstrating Improvement Through Transparent Reporting

We demonstrate our commitment to transparency through our disclosures to CDP, which we have reported to since 2018. In 2023, we achieved a B score (based on 2022 data), indicating steady year-over-year improvement. Our performance improved across most categories, and we will continue to use this as a resource for future reporting.

Year	Score
2018	D
2019	D
2020	D
2021	C
2022	C
2023	B

In September 2023, we recognized Zero Emissions Day for the first time at S&C. As part of this celebration, we announced a new commuter program available to our Chicago, Franklin, and Palatine team members. The program offers team members a reliable and sustainable mode of transportation to and from work while also reducing transportation barriers and providing cost savings.

<sup>1</sup>2022 data in this report may not be consistent with data in the 2022 S&C Sustainability Report because of inconsistencies identified by a third-party audit conducted in 2023.

<sup>2</sup>Fugitive SF<sub>6</sub> gas and stationary source emissions presented in this chart may not add up precisely to the totals provided because smaller sources included in the totals are not shown in this chart.



# Energy Efficiency

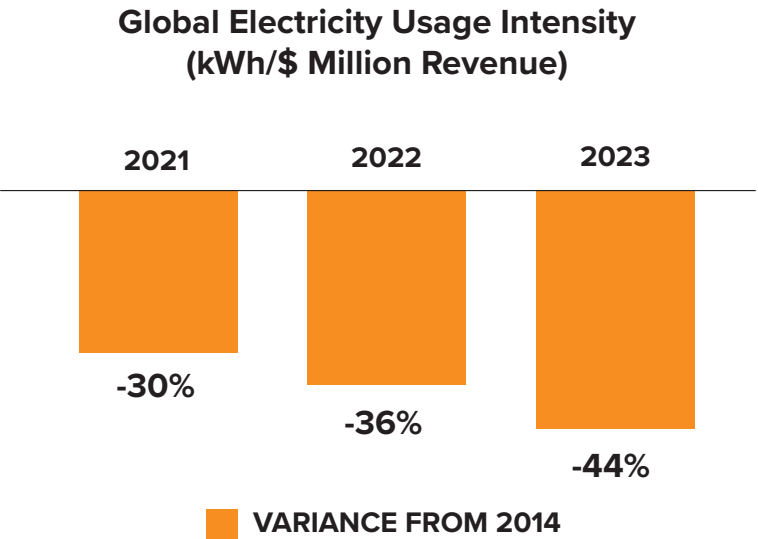
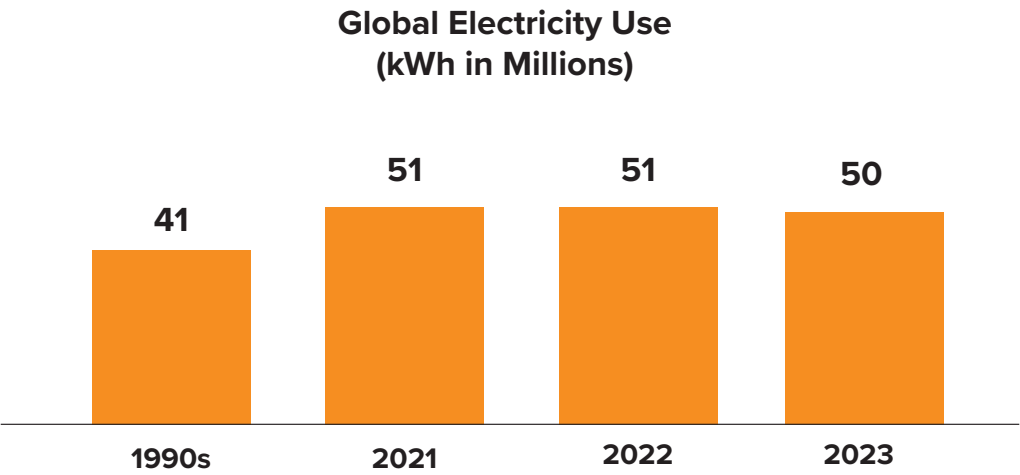
Energy efficiency is a key component of our decarbonization strategy and our commitment to reducing our footprint. We aim to reduce our Scope 1 emissions by conducting energy efficiency audits, reducing our natural gas use, and minimizing emissions from stationary sources, namely boilers, heaters, and ovens.

S&C invests in renewable energy certificates and capital improvement projects to drive efficiency, including automation systems, LED lighting, green building practices, equipment upgrades, and electric vehicle (EV) charging stations, which have a direct impact on our Scope 2 emissions. We are also assessing new programs, including renewable energy generation, electrification of our owned and leased vehicle fleets, and installation of additional EV charging stations at our global locations.

In support of our goal to reduce our Scope 2 emissions by transitioning our operations to renewable energy sources by 2050, we implemented the following initiatives in 2023:

- **LED lighting retrofit projects:** S&C Toronto completed its LED retrofit project in 2023, and Chicago made substantial progress toward its goal to convert 100 percent of lighting fixtures to LED. As of the end of 2023, 90 percent of the 46-acre campus had been converted, with the remaining work to be completed in 2024. Our Suzhou, China, team also conducted an LED lighting retrofit cost and impact analysis, with implementation expected to begin later in 2024.
- **EVs:** Select S&C sites began offering hybrid vehicle options for those using a company car. In addition, our team in Canada added EV charging stations to the parking lot for team member use.
- **Solar energy installations:** We took initial steps to explore a potential solar installation at our Chicago campus.

▶ Video: [Reducing Carbon Emissions Through Energy Efficiency](#)



RENEWABLE ENERGY

As a longstanding member of the [U.S. Environmental Protection Agency’s \(EPA\) Green Power Partnership](#), S&C supports the development of renewable energy sources, such as wind, solar, geothermal, biogas, eligible biomass, and low-impact hydropower. S&C has purchased renewable energy certificates (RECs) since 2012 as part of our effort to source cleaner energy. Since 2020, 100 percent of our global electricity is sourced from RECs, resulting in zero Scope 2 market-based emissions.

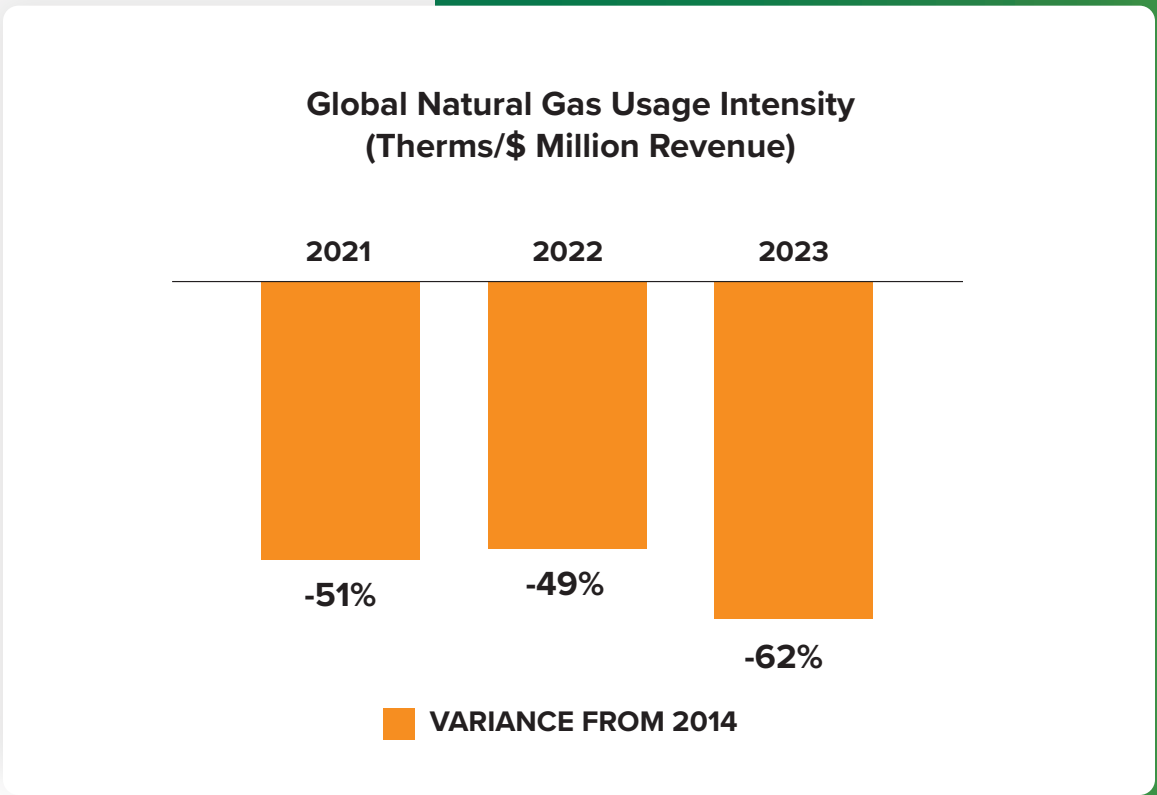
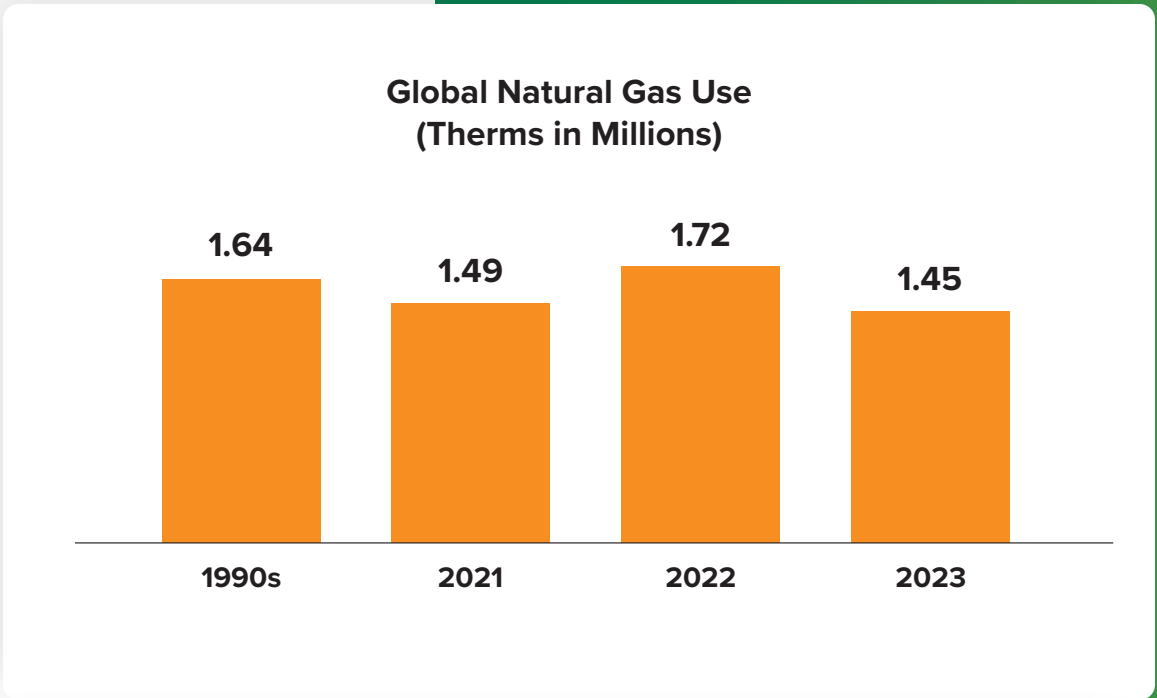
NATURAL GAS USE

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. In support of our goal to reduce natural gas use by 30 percent by 2030, compared to our 2014 baseline, 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.

ENVIRONMENTAL CONSIDERATIONS IN OUR FACILITIES

S&C follows green building standards, with three of our U.S. buildings certified with the Leadership in Energy and Environmental Design (LEED®) building framework. As our business grows and we expand our physical footprint, sustainability remains a significant consideration in the construction, upgrade, and enhancement of our facilities and processes.

In 2023, we announced the expansion of our U.S. footprint with a 275,000-square-foot facility in Palatine, Illinois. With the facility expected to be fully operational in 2024, this expansion in capacity enables us to meet increasing demand for technology that makes the electrical grid more resilient and reliable. We are seeking LEED certification for the facility, marking the first time S&C has pursued this certification for a leased building. The expansion will also enable EV charging for personal and fleet vehicles.





# Waste Management

Our waste management program, which has existed since the early 1990s, focuses on prevention, reuse, recycling, and recovery initiatives, including composting. We design products that enable a circular economy by eliminating waste and pollution while keeping materials in circulation as long as possible.

## OUR WASTE MANAGEMENT STRATEGY

Responsible waste management practices are critical to our circularity strategy, which focuses on diverting as much waste as possible from landfills. Our ultimate goal is to meet and maintain 99 percent landfill-free status at all global manufacturing sites year over year.

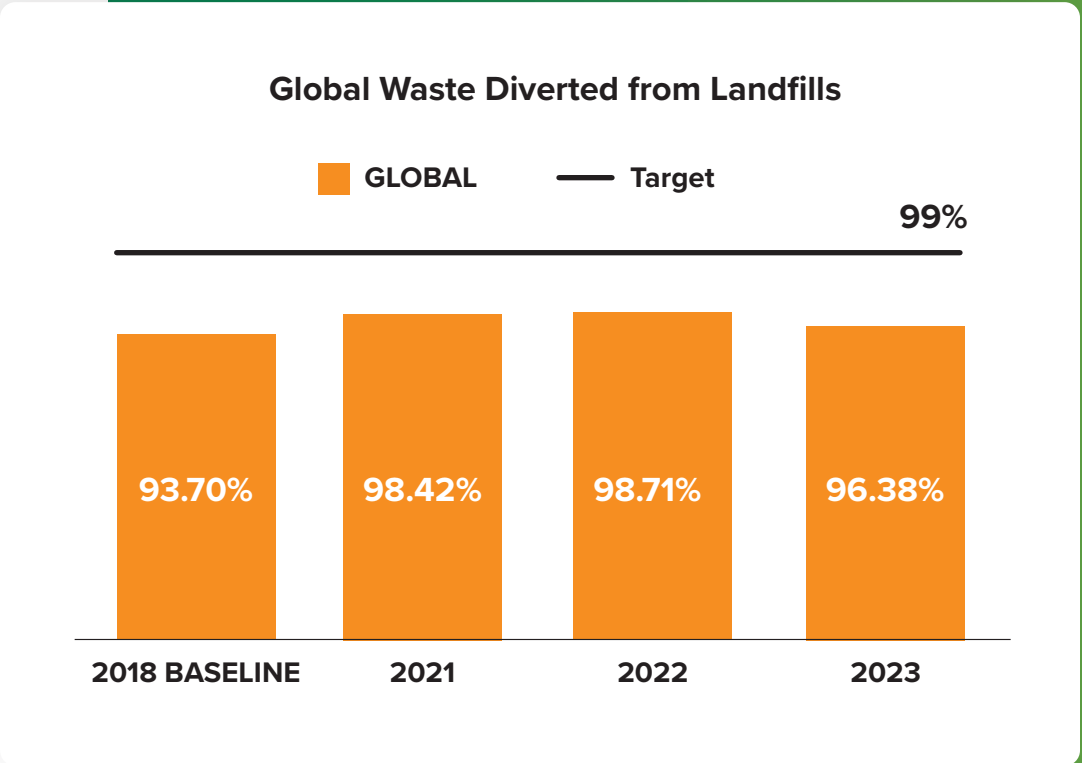
Based on an analysis completed by the health, safety, environmental & sustainability (HSE&S) team in 2023, we have identified the following strategies as focus areas for 2024:

- Streamlining the waste metric calculation and reporting process while ensuring data integrity
- Deploying standardized bins and signage across our U.S. manufacturing sites to simplify proper waste separation
- Creating a voluntary action team in production operations to help coach team members on waste-related procedures and initiatives
- Increasing team member engagement with our waste management program via regular communications

## WASTE DIVERTED FROM LANDFILL, GLOBAL WASTE GENERATION

In 2023, S&C’s landfill-free performance decreased from 98.71 percent to 96.50 percent. Waste generation increased by 10 percent from 2022 to 2023. The increase is primarily attributed to a single, nonhazardous event that required us to resurface a portion of the parking lot on our Chicago campus. This resurfacing resulted in a large amount of asphalt that couldn’t be recycled or recovered. In addition, we changed our calculation method in 2023 at our Franklin, Wisconsin, facility from using an EPA estimate factor to measuring and recording waste generation onsite.

S&C introduced several initiatives in 2023 to advance our 99 percent landfill-free target. At our Mexico facility and all U.S. sites, we introduced new bins, signage, and training to simplify proper waste segregation. We also streamlined our waste metric calculation and reporting process and assigned a dedicated project engineer to optimize our waste management program. To drive team member engagement, we increased communications around our landfill-free initiative and created a voluntary action team in production operations to help coach team members on waste-related procedures.

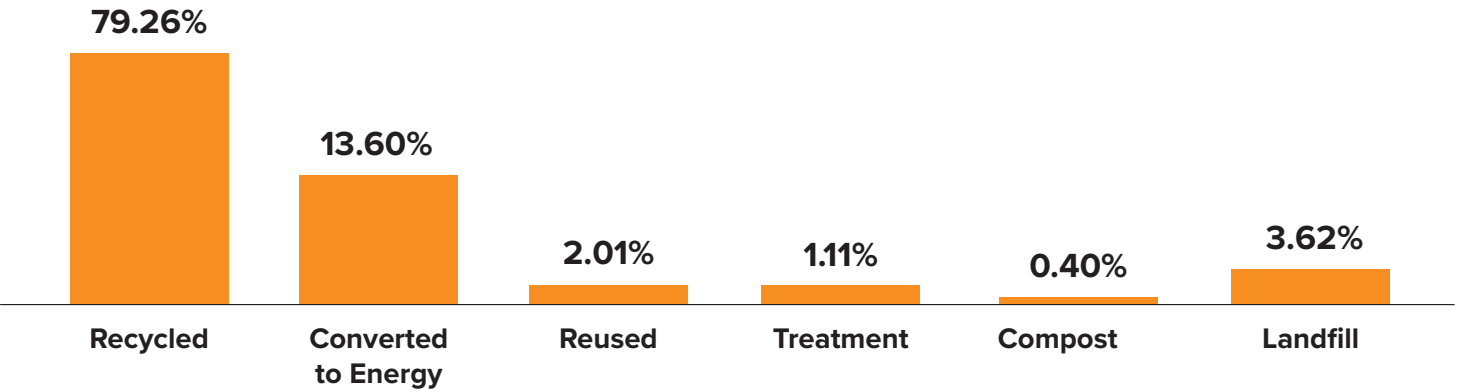


**S&C Partners with 49<sup>th</sup> Ward in Chicago for Earth Day Event**

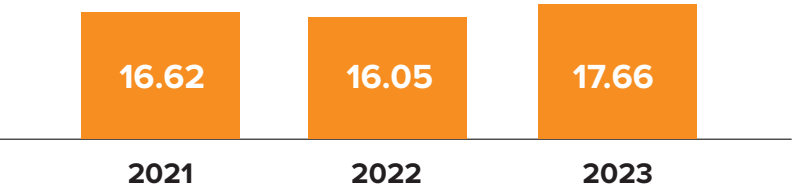
In conjunction with Chicago’s 49<sup>th</sup> Ward, where S&C’s headquarters is located, S&C Chicago hosted its first public event for Earth Day and welcomed residents of the surrounding community to our campus for an electronic waste collection and recycling event. We collected nearly 8,000 pounds of electronic waste for sustainable disposal.



2023 Global Waste Disposal



Global Waste Generation  
(Millions of Pounds)



▶ Video: [Supporting Community Recycling Efforts](#)



# Air Quality

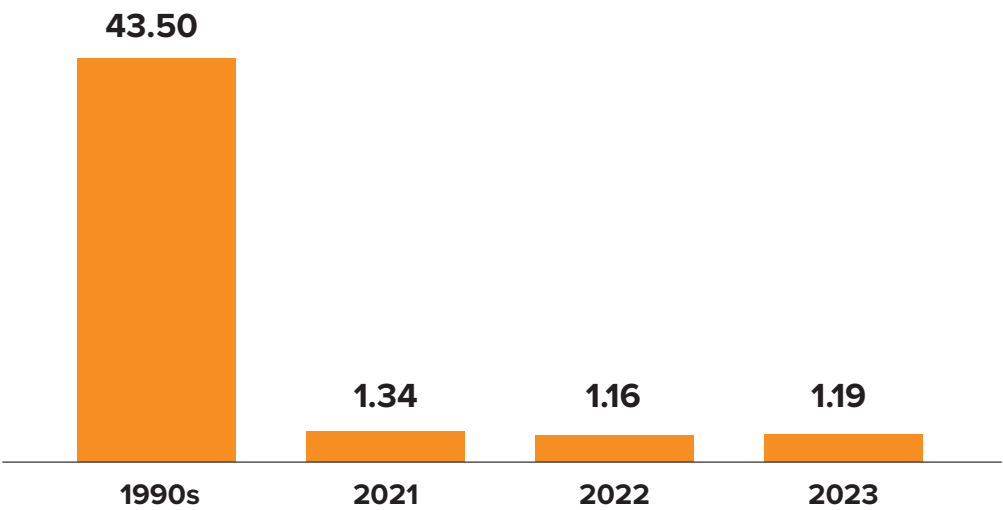
We manage our emissions of volatile organic compounds (VOCs) and hazardous air pollutants (HAPs) as required by the Clean Air Act and regulated by the U.S. EPA. Our manufacturing locations comply with all regulatory limits. We have reduced our VOC and HAP emissions in the U.S. by 97 percent and 99 percent, respectively, since the 1990s, thanks to investments in new technology and process improvements. Today’s emissions are well below our compliance requirements and remain negligible.

Even as our organization grows to meet customer demand, we will continue to proactively manage our emissions and avoid air pollution. We are following all applicable environmental regulations as we complete the expansion into our new facility in Palatine, Illinois. Any changes to VOC and HAP emissions will be noted in future reports, if applicable.

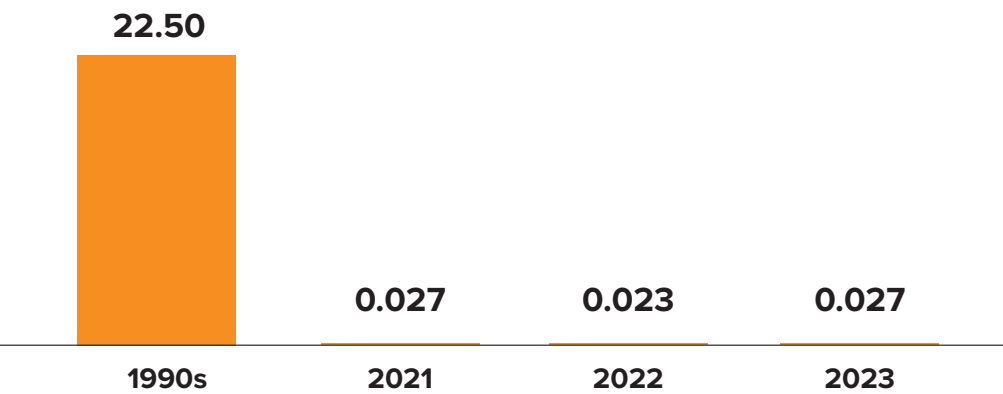
S&C’s standard procedures require any new materials used in our products to be reviewed by our HSE&S team. The team also maintains a database available to all team members to continuously monitor and evaluate environmental concerns and new regulations.



VOC Emissions – U.S. Only (Tons)



HAP Emissions – U.S. Only (Tons)

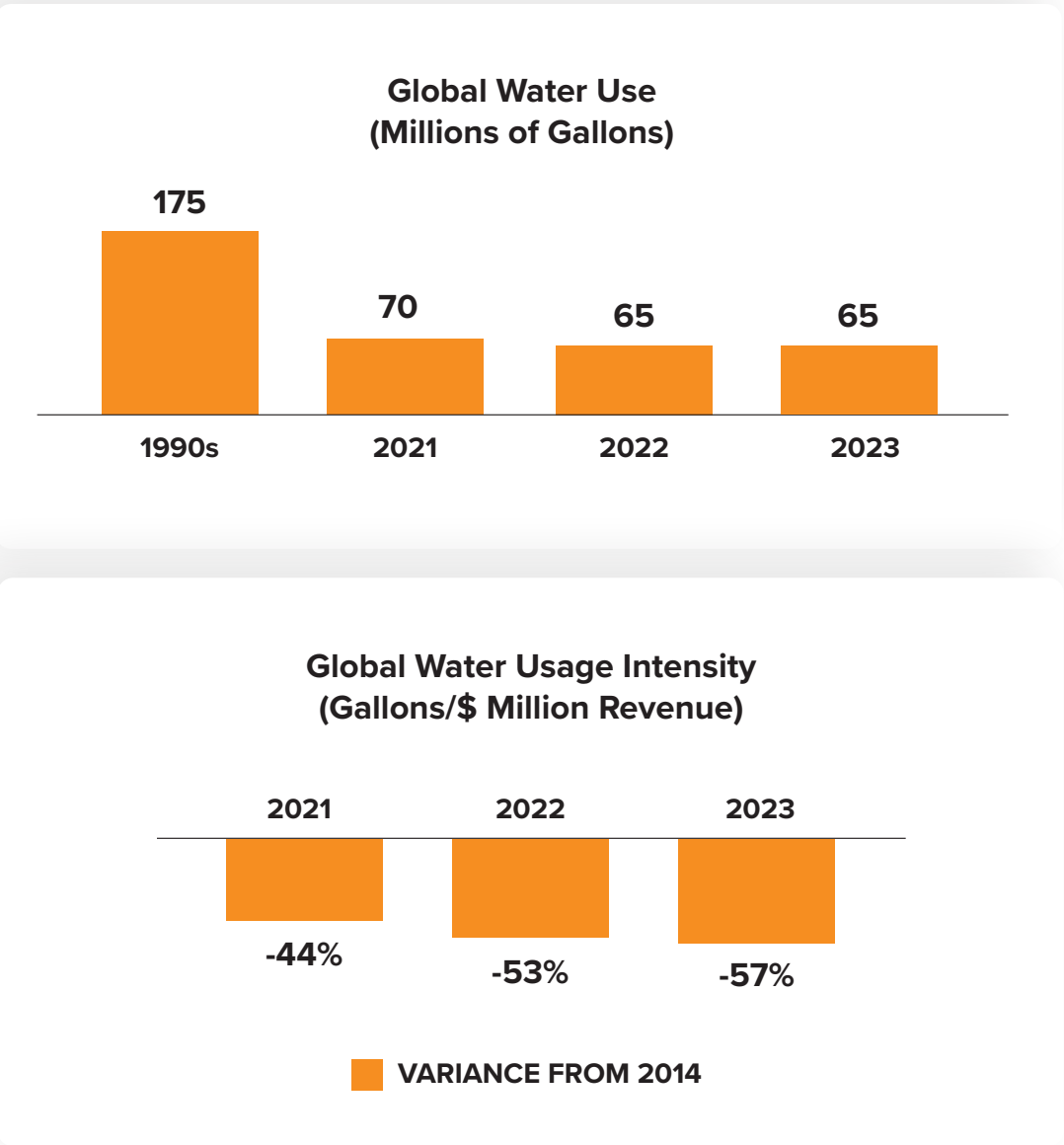


# Water Conservation

We leverage lean manufacturing practices, facility upgrades, shared best practices, and conservation efforts to reduce our water consumption. Our manufacturing processes at all our sites (Canada, Mexico, and China) require water use; however, our Chicago facility registers the most water use.

To reduce our water consumption, we use the following measures at our sites:

- Cooling towers
- A dry cooler system
- An evaporative fluid cooler
- Low-flow devices on faucets and bathroom fixtures



## Enhancing Green Spaces for Our Communities and Facilities

As part of our commitments to the environment and our communities, S&C dedicates time and resources to creating and enhancing green spaces near our facilities. In July 2023, we unveiled the Arlys Conrad Memorial Park and Native Pollinator Garden at our Chicago campus.

The garden is named after Arlys Streitmatter Conrad, wife of John R. Conrad, S&C's longtime president and son of S&C co-founder, Nicholas Conrad. The 12,500 square foot garden includes 45 plant species, many of which attract pollinators such as butterflies and bees. Soon after the garden's unveiling, we recorded a sighting of the endangered rusty-patched bumble bee, demonstrating the environmental benefits of this space. The garden is open to the community and provides food and shelter for insects and birds.

During Canadian Environment Week, the S&C Canada team spent time planting native trees and foliage in a neighborhood park near our Toronto facility. Team members planted 18 trees and learned about the native Canadian land in the park.

Continuing the tradition S&C established in 2022, we donated 3,700 seedling trees to represent S&C team members around the globe. This year, the trees were planted in Chippewa National Forest in celebration of Arbor Day.



# Supply Chain Management

We partner with suppliers that share our values and commitments to maintain a reliable and responsive supply chain. We prioritize suppliers that pursue continuous improvement and demonstrate focused efforts around diversity and inclusion, human rights, and environmental stewardship.

Our [Supplier Code of Conduct](#) outlines our approach to supply chain management and is included in our contracts. Key principles include expectations on specific topics, including:

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

We conduct screening processes to ensure potential suppliers align with S&C's values. Our global sourcing and strategic supply chain team regularly conducts interviews, facility tours, financial reviews, and other assessments to ensure ongoing compliance. If a supplier does not pass the initial approval process, we provide guidance on corrective actions and conduct a re-evaluation.

## PROMOTING SUSTAINABILITY THROUGH OUR SUPPLY CHAIN

We expect suppliers to conduct their operations in a manner that protects the environment and complies with all applicable environmental laws and regulations. As part of our environmental stewardship responsibility, we mitigate our environmental impacts through practices that include:

- Sourcing regionally to reduce environmental impact from transportation
- Promoting efficient materials use and mitigating waste in packaging
- Mapping efficient routes and optimizing load size to drive energy efficiency and reduce emissions

**We actively participate in industry organizations and contribute thought leadership to advance a more sustainable, resilient grid. These memberships are part of our efforts to foster collaborative relationships and share best practices.**

## Leading the Way in Supply Chain Sustainability

S&C maintains membership in the Sustainable Supply Chain Alliance (SSCA), an organization of public utilities and suppliers that work together to advance sustainability best practices. In 2023, the SSCA presented S&C with a Leading Practices in Supply Chain Sustainability Case Study award. The award recognizes S&C's global initiative to become a 99 percent landfill-free company and was presented at the 2023 SSCA Sustainable Sourcing Conference.





### INTENTIONALLY EXPANDING SUPPLIER DIVERSITY

We 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. Through our Supplier Diversity Program, we explore ways we can advance economic empowerment and build strong business relationships.

Our Supplier Diversity Policy is a core element of our sourcing strategy and helps us identify opportunities to increase spending in diverse supplier categories.

Additional areas of focus in 2023 included:

- Expanding our global search for women-owned businesses to cater to our site in Mexico
- Hosting a booth at the National Minority Supplier Diversity Council (NMSDC) national trade show
- Increasing proactive engagement in outreach efforts, including sending out more than 500 requests for information, vetting more than 90 suppliers, and approving eight new suppliers
- Strengthening existing collaborations with diverse suppliers
- Increasing diverse spend in the machining category



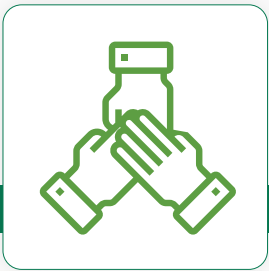
### Networking Events for Supplier Diversity

In 2023, S&C hosted an on-site and virtual outreach event with guest speakers from the Chicago Minority Supplier Diversity Council (ChicagoMSDC) and NMSDC. Twenty-three suppliers participated in the event, which sparked conversations and encouraged new providers to begin the supplier assessment process. We also attended two outreach events hosted by ChicagoMSDC and NMSDC.

In 2024, we will continue participating in additional events and building on the connections we have made to identify new diverse suppliers.

**In 2023, 1.8 percent of S&C’s total spend was with Tier 1 diverse suppliers. Our goal is to double this percentage by 2025.**





# PEOPLE-FIRST CULTURE



People are at the heart of S&C’s success, and we are proud to promote a culture where team members can grow in their careers and contribute to the communities we serve. From our recruitment practices to the benefits we offer, we invest in building an inclusive culture and helping our team members feel supported.

- 27. Team Member Health and Safety
- 31. Talent Attraction and Retention
- 32. Team Member Engagement and Development
- 34. Diversity, Equity, and Inclusion
- 38. Team Member Well-Being
- 39. Social Impact and Community Engagement



# Team Member Health and Safety

Respect for People is one of our Values & Guiding Principles, and it is the foundation for our companywide safety goal: to be recordable-injury free. Achieving this goal requires daily commitment, participation from every team member, and consistent review of our progress. We leverage employee engagement as a key component of our safety program to prevent safety incidents from occurring and learn from them if they do.

▶ **Video:** [Striving for Zero Recordable Injuries](#)

## OUR COMMITMENT TO TEAM MEMBER HEALTH & SAFETY

We emphasize the importance of safe work practices throughout every team member’s career at S&C, starting on the date of hire. Our onboarding process includes training on job-specific safety procedures and everyday safety requirements as covered in our Safety Manual. Throughout their tenure, all team members must maintain workplace safety and follow the written policies and procedures outlined in the manual, including:

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

Team members participate in regular safety briefings and activities to foster a safety culture throughout the year. We emphasize the safety mantra, “If you see something, say something, and, most importantly, do something” to empower our team members to put safety first, always. Team members are encouraged to stop work immediately if they spot a workplace safety concern.

## HEALTH AND SAFETY OVERSIGHT AND ACCOUNTABILITY

Our HSE&S team is responsible for executing and monitoring the success of our global safety strategy, policies, and procedures. In 2023, we performed a gap analysis of our health services function to identify opportunities for continuous improvement. Based on our findings, we took measures aimed at prevention of musculoskeletal disorders and expanded nursing staff availability across our locations. Our areas of focus in 2024 include streamlining the HSE&S structure and driving a culture of engagement and direct team member involvement around safety.





### Safety Action Teams Empower Team Members

S&C has 14 safety action teams (SATs) that drive team member engagement in identifying and remediating potential safety risks. They do this 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. Responsibilities of our SATs include:

- Completing monthly “Go-and-See” inspections and addressing any safety concerns identified via these inspections
- Managing our Quick-Fix program
- Organizing safety awareness and promotion campaigns
- Offering targeted safety programs based on data analysis
- Conducting accident/incident investigations and analyses
- Executing audits using a Web-based platform to enhance awareness and safety in departmental areas
- Monitoring progress and resolution of identified safety improvement opportunities

In 2023, the SATs completed the following key projects:

- Creation of more than 100 job-safety analyses (JSAs)
- Installation of QR codes on machinery and equipment to allow quick access to related JSAs
- Standardization of communication boards
- Participation in root-cause analyses of significant injuries and incidents

The Safety Steering Committee, composed of one representative from each SAT and two senior leaders from Production Operations, meets regularly to review each team’s progress and share best practices.

### Safety Observation Program Exceeds Goal at Mexico Facility

Our facility in Mexico implemented a safety observation program in 2023 to gather team member insights about areas for safety improvement. By the end of the year, more than 700 observations and ideas were collected, exceeding the team’s goal of 500 submissions. Ninety percent of safety observations submitted by team members were proactive measures that improve the safety of the workplace before an injury can occur. By the end of the year, 80 percent of these measures were implemented. In 2024, the team will focus on capital improvement projects to improve machinery for ergonomics and noise control.



**SAFETY PERFORMANCE**

S&C’s safety-first mindset drives our performance. In support of our belief that all injuries are preventable, we track both leading and lagging indicators to gain a holistic picture of our safety data and trends.

**Leading Indicators**

Our focus on leading indicators is executed through team member engagement, promotion of a safety-first culture, and monthly safety observations, which allow our teams to proactively identify risks, address concerns, and preempt safety issues. In 2023, our production leaders completed eight observations per month. We are retaining this target for 2024 and encouraging leaders to spread safety observation activities through each month.

**Lagging Indicators**

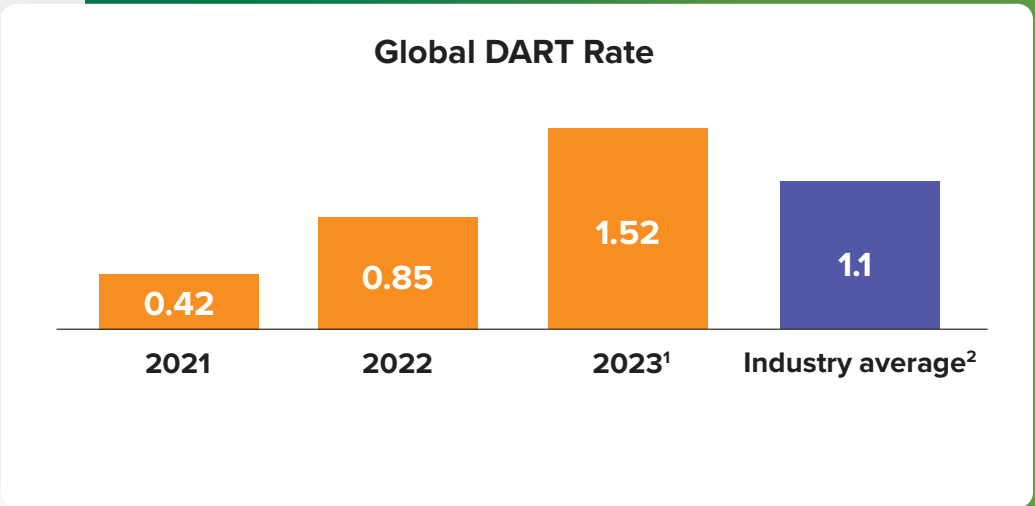
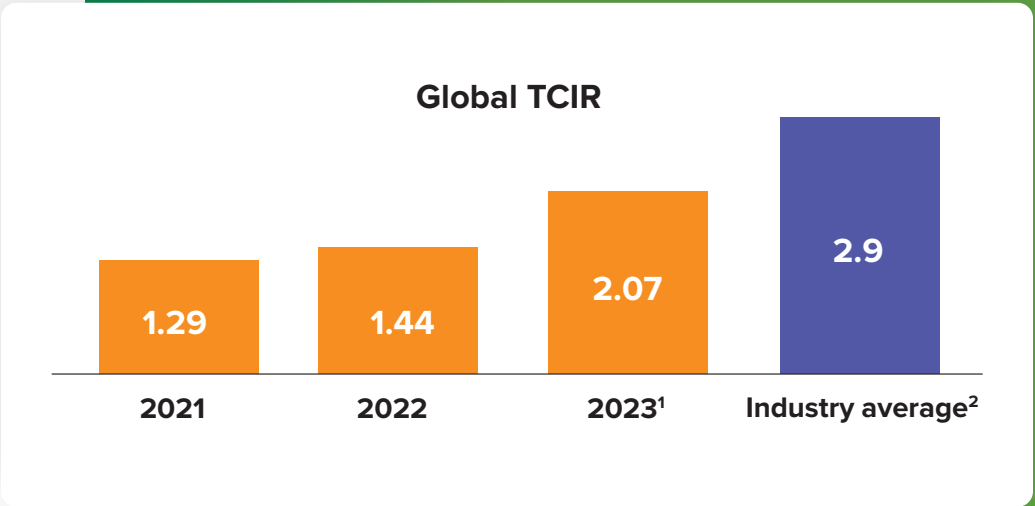
S&C tracks key lagging indicators, including Total Case Incident Rate (TCIR) and Days Away, Restricted, or Transferred (DART), to determine the effectiveness of our safety programs. We continually seek ways to decrease our lagging safety indicators.

Increased rates in 2023 are reflective of a growing workforce with many team members who are new to manufacturing. We implemented expanded training activities and proactive treatment of ergonomic injuries (including sprains and strains to back, shoulders, and arms) to increase engagement with these team members.

As a result of our efforts, we recorded the lowest number of recordable injuries that resulted in work restrictions in the fourth quarter of the year. These activities will continue throughout 2024 in an effort to further reduce our lagging safety indicators.



**LAGGING INDICATORS**



<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.



**PROVIDING SAFETY-FOCUSED  
RESOURCES TO REDUCE INJURIES**

In caring for the health and safety of our team members, we expanded injury-prevention resources for U.S. team members who work in production operations to include:

- Mandatory three-minute warmup sessions twice per day (These warmup sessions reduce the risk of injury by preparing team members for their work day and teaching safe alignment for repetitive tasks such as lifting, bending, pushing, and pulling.)
- The use of computer vision movement-tracking technology to develop personalized corrective exercise programs for each team member
- Dedicated time during the first three days of new hire orientation to spend on task simulation, skill building, and worker readiness training (Team members also have weekly touchpoints during their second to fourth weeks of tenure to solidify these safety practices.)

This multi-faceted approach to enhanced safety resources is managed by a third-party provider that specializes in ergonomics, which helps prevent musculoskeletal and soft-tissue injuries. We will measure the effectiveness of this program throughout 2024 and make adjustments as necessary to optimize its efficacy.

**OSHA Safe + Sound Week**

S&C participated in the Occupational Safety and Health Administration’s Safe + Sound Week for the third year in a row. Held in August 2023, activities included Lunch-and-Learn sessions and information booths from many of our vendors. Held in August 2023, team members participated in Lunch-and-Learn sessions and received information from many of our vendors. Other activities included a safety-themed poster design competition, a “Spot the Hazard” challenge, and creation of a “Why I Work Safely” video.



# Talent Attraction and Retention

We are dedicated to providing long and meaningful careers for our team members. This commitment is evidenced by our Quarter Century Club, which team members are inducted into when they achieve 25 years of service to the company. As of year-end 2023, there were nearly 1,000 active members of the Quarter Century Club.

## RECRUITING AND RETAINING TOP TEAM MEMBERS

As an employer of choice, we focus our initiatives on key objectives that help us meet our need for talent, now and in the future. These objectives include strategic workforce planning, cultivation of non-traditional candidate pipelines, proactive campus recruitment, grassroots recruitment partnerships, and comprehensive hiring, promotion, and retention tools.

Relationships we cultivate and maintain with local and national partners play an essential role in attracting talent to S&C. These organizations, as well as 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, and Institute of Electrical and Electronics Engineers.

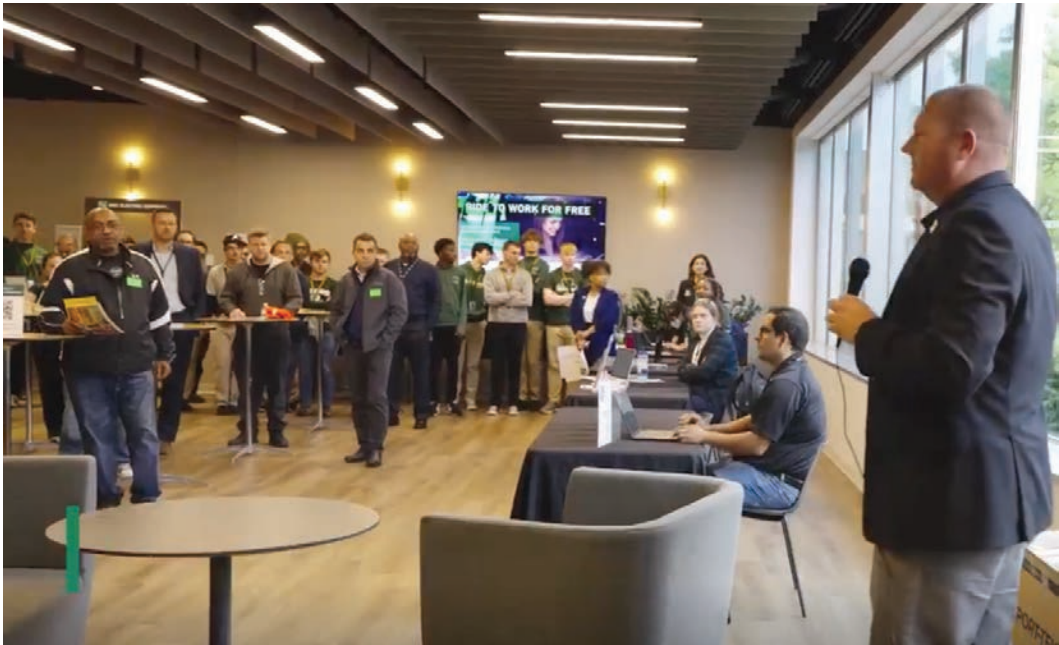
## 2023 TALENT PIPELINE DEVELOPMENT

- .161 community hiring events across five states
- .12 career-focused outreach events at local school systems and colleges
- .111 hires from community partnerships and outreach activities
- .68 co-ops and interns

## Our First National Manufacturing Day Event

In October 2023, we hosted our first National Manufacturing Day open house and welcomed more than 250 students and community members to our Chicago campus. The event included product demonstrations and presentations about S&C's contributions to the manufacturing sector. Members of S&C's leadership team hosted two panels to discuss the importance of manufacturing jobs and the sector's economic impact. Attendees had the opportunity to network, connect with S&C team members, and learn more about the company and its career opportunities.

▶ Video: [Manufacturing Day 2023](#)





# Team Member Engagement and Development

To help team members cultivate long-term, rewarding careers, we provide engagement and career growth opportunities, talent development programs, educational support, and a comprehensive performance management process.

## CONTINUOUS IMPROVEMENT THROUGH ENGAGEMENT SURVEYS

Every team member's voice is essential to driving our culture of continuous improvement. We encourage engagement by asking team members for their honest, anonymous feedback through our annual engagement survey. This survey is conducted via a trusted third-party provider to ensure team members feel comfortable sharing their experiences.

Survey results help us identify strengths and develop action plans to address opportunities for improvement at both the enterprise level and within functions. In 2023, the results of the 2022 engagement survey inspired the following initiatives:

- **Adapting to change:** To support our transformation for growth, we improved how we communicate changes and why those changes matter, with a specific focus on our corporate strategic initiatives and how we engage our leaders.

- **Rewards, recognition, and benefits:** We implemented an enhanced engineering-career framework for engineers to further their careers. We launched the Hourly Attraction and Retention Program to ensure compensation is aligned with our strategy and is competitive in the market. Finally, we offered our team members new benefits, such as the domestic-partner benefit.
- **Leadership development and communications:** S&C leaders were given the opportunity to participate in leadership coaching to help improve their action-planning skills and communication effectiveness.

▶ **Video:** [Improving Our Workplace Through Team Member Feedback](#)



## 2023 Engagement Survey Highlights

Our 2023 global engagement survey, encompassing both salaried and hourly team members, recorded an 83 percent response rate, up from 80 percent in 2022. Highlights include:

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

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

**85** percent of team members have a clear understanding of what is expected of them at work.

**83** percent of team members feel that they are treated with respect at work.

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

### TEAM MEMBER TRAINING AND LEADERSHIP DEVELOPMENT

S&C provides critical training for team members throughout the year, including required programs for all team members focused on health and safety, information security, and our Required Ethical Standards, Code of Business Conduct.

Our core development and leadership training programs provide knowledge-building and skill-development opportunities to help team members progress in their careers. By providing various programs, each targeting different career goals, skills, or team member populations, we provide a structure through which all team members can grow and develop at S&C.



▶ Video: [2023 Workplace Awards and Recognitions](#)

### SIGNATURE TRAINING AND DEVELOPMENT PROGRAMS AT S&C

#### Manufacturing Work Elements

**803** skill certifications earned in 2023, up from **668** skill certifications in 2022

#### Aspiring Leaders Program

**1,363** training hours in 2023

#### Team Member Training

**47,930** training hours completed globally across all programs

### Improving our Work Elements Program to Attract and Retain Talent

In 2023, we began the first phase of improvements to Work Elements, our skill-based promotion program for hourly team members. We implemented changes to its benchmarking cadence, market targets, base-wage realignment, and entry-level wages for each functional career path.

Presently, there are 11 functional career paths (including manufacturing and production) that use the Work Elements program across our U.S. operations. Team members can “raise their hand” to train and master a new Work Element skill. When training is complete, team members must pass a test to gain certification and the associated pay raise.



# Diversity, Equity, and Inclusion

S&C’s commitment to diversity, equity, and inclusion (DE&I) is rooted in our Values & 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 positively impacts every aspect of our business, especially our innovation, collaboration, and workplace culture.

Our [DE&I Statement](#) highlights our dedication to advancing an inclusive and equitable workplace.

## OUR DIVERSITY, EQUITY, AND INCLUSION STRATEGY

Our DE&I Council includes 27 team members with diverse experiences and roles across our organization. Through active collaboration with the council, S&C leadership and human resources create and implement DE&I roadmaps, programs, and policies that align with our Values & Guiding Principles and focus on five strategic areas. In 2023, the council initiated a plan to detail its focus areas and track the outcomes of its objectives.



## FIVE STRATEGIC AREAS OF OUR DE&I FOCUS

**Organizational  
commitment**

**Removing structural  
barriers**

**Advancing DE&I  
education**

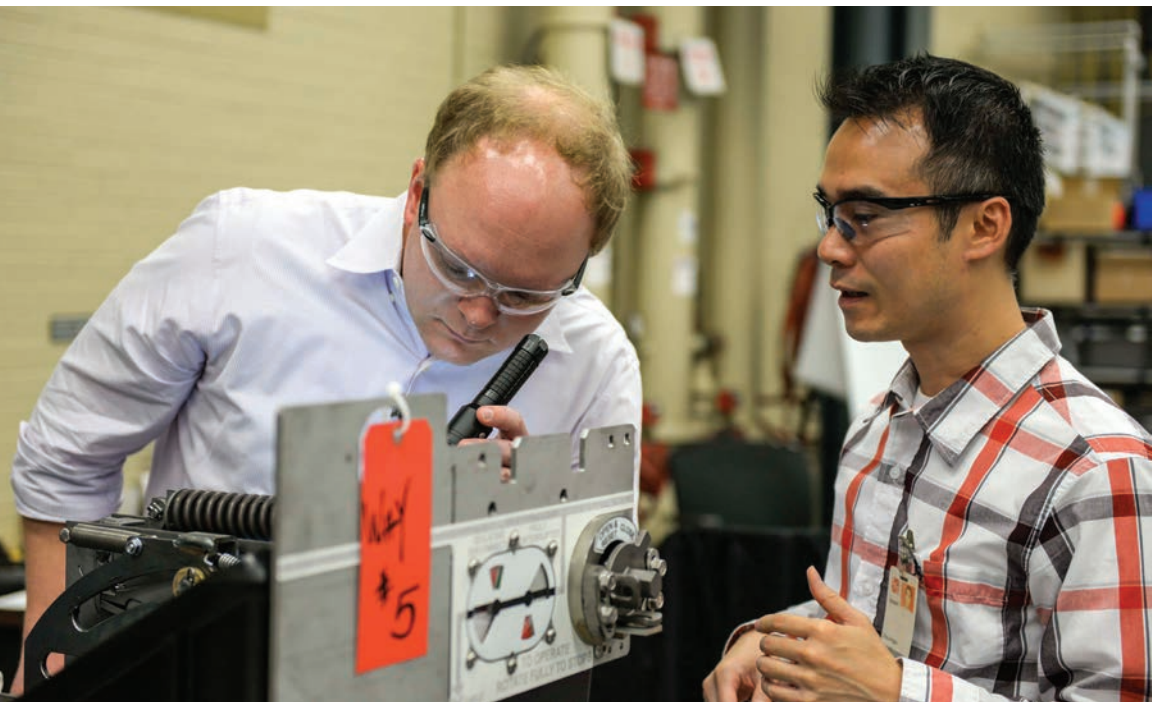
**Enhanced talent-  
enablement processes**

**Celebrating  
diversity**

ENHANCING TEAM MEMBER DIVERSITY

S&C promotes a culture of respect for all members across our global team, regardless of race, ethnicity, religion, sex, age, sexual orientation, gender identity, national origin, disability, veteran status, marital status, or diversity of thought. To drive progress and accountability, S&C maintains key internal goals focused on increasing people of color and women in our workforce. We continue to increase the overall diversity of our workforce through initiatives that include:

- Broadening our talent pools and recruiting through partnerships
- Increasing participation in our team member affinity groups, development programs, and other resources that help team members feel appreciated, accepted, and supported
- Identifying opportunities to improve our recruitment and retention efforts
- Upholding a recruiting target of one candidate who is diverse, by gender or ethnicity, for every three job candidates



2023 DIVERSITY AT A GLANCE

Since 2022, the racial diversity of leaders and female hourly new hires – two of our DE&I focus areas – have each increased by 3 percent.

RACIAL DIVERSITY – U.S. Only

	All	New Hires	Hourly	Salary	Leadership
White	38.4%	30.5%	25.4%	61.9%	63.7%
Black	17.4%	22.4%	22.6%	8.0%	9.2%
Asian	13.9%	15.7%	13.0%	15.7%	11.1%
Hispanic	28.1%	29.2%	36.7%	12.5%	15.5%
American Indian/Alaska Native	0.2%	0.5%	0.3%	0.0%	0.0%
Native Hawaiian/Other Pacific Islander	0.2%	0.3%	0.3%	0.1%	0.0%
Two or More	1.8%	1.4%	1.7%	1.8%	0.5%

GENDER DIVERSITY – Global

	All	New Hires	Hourly	Salary	Leadership
Female	21.2%	25.9%	19.2%	24.3%	19.3%
Male	78.7%	73.6%	80.6%	75.7%	80.7%
Nonbinary*	0.1%	0.5%	0.2%	0.0%	0.0%

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

AGE DIVERSITY – Global

	All	New Hires	Hourly	Salary	Leadership
Under 30	14.7%	39.3%	16.7%	11.5%	1.2%
30 to 50	47.6%	45.9%	44.4%	52.7%	52.8%
Over 50	37.7%	14.8%	38.9%	35.8%	46.0%



**PROVIDING A WORK ENVIRONMENT OF INCLUSION AND EQUITY**

We regularly evaluate our benefits and resources and provide learning opportunities that promote an accepting, inclusive environment. Key initiatives from 2023 include:

- Expanding benefits for domestic partners
- Publishing an LGBTQ+ benefits guide
- Partnering with Yale School of Management to offer a Fostering Inclusion and Diversity training session for leaders
- Hosting a “Connecting with Others” hands-on workshop for U.S. leaders, which will expand to international locations in 2024

To support our efforts to close pay gaps and provide all team members with opportunities for economic advancement, we educate leaders about pay equity and use pay ranges to align skills and performance with compensation.



**For the second year in a row, S&C received a score of 80 on the Human Rights Campaign Corporate Equality Index. This score acknowledges our progress and encourages us to continue advancing equity for both present and prospective LGBTQ+ team members.**

**S&C Powered by Diversity**

S&C continues to advance the DE&I discussion at DISTRIBUTECH International, the leading transmission and distribution event for utilities, technology providers, and industry leaders.

At our annual S&C Powered by Diversity luncheon, Anders Sjoelin, our president and CEO, initiated a panel discussion with four leading DE&I advocates in the electrical industry. The event concluded with the unveiling of the S&C Powered by Diversity Award, which honors an electric utility that demonstrates outstanding achievements in the areas of diversity, equity, and inclusion in the workplace.



**AFFINITY GROUPS ENCOURAGE A SENSE OF BELONGING**

S&C’s global and regional affinity groups provide connection and learning opportunities for team members. From professional development sessions to social events to affinity month awareness, our groups offer options throughout the year, in-person and virtually, to encourage team member engagement.

Affinity group event highlights from 2023 include:

- The Inclusion, Diversity, Engagement & Awareness (I.D.E.A.) Group organized events and shared information for multiple affinity months and observations, including Black History Month, Asian American and Pacific Islander Heritage Month, Juneteenth, and Hispanic Heritage Month.
- The Women’s Empowerment Group (WEG) partnered with the Canadian Women’s Group to plan multiple activities for Women’s History Month, including an in-person celebration for International Women’s Day. WEG also collaborated with Health Services and representatives of our AMP UP! program to offer information and programming on breast cancer resources and prevention.

- S&C Connects hosted two Executive Fireside Chats to help team members get to know senior leadership on a more personal level; a panel for those in intern and co-op roles led by full-time team members who previously were interns; and multiple social outings.
- Spectrum organized several events throughout Pride Month, including a Pride Walk around S&C’s Chicago campus and two educational Lunch-and-Learn sessions. Spectrum also recognized other notable dates for LGBTQ+ team members, including International Transgender Day of Remembrance, Transgender Awareness Week, and World AIDS Day.
- The Wellness Action Team Toronto (WATT) group offered various informational sessions for team members in Canada throughout the year on topics related to healthy habits, wellness and nutrition, and celebrating diversity.
- Franklin Connections organized philanthropic events, including a Toys for Tots collection drive, a blood drive, and a garbage pickup. The group also held several social outings throughout the year.
- Future Grid Group hosted a professional speaker to teach team members about real estate, two career development talks with S&C leaders, and social events.

**GLOBAL AND REGIONAL AFFINITY AND ACTIVITY GROUPS**

 Canadian Women's Group	 Women's Empowerment Group (WEG)
 Franklin Connections	 S&C Connects
 Future Grid Group	 S&C Gives
 Inclusion, Diversity, Engagement & Awareness (I.D.E.A.)	 S&C Toastmasters
 Wellness Action Team Toronto (WATT)	 Spectrum



# Team Member Well-Being

At S&C, we embrace a holistic view of team member well-being. This includes providing resources, programs, and policies that support mental, physical, and financial health.

## OFFERING RESOURCES TO SUPPORT TEAM MEMBER WELL-BEING

We offer resources that support all team members and encourage them to prioritize their mental health and overall well-being:

- **AMP UP! and BCBS Point Solutions:** S&C’s AMP UP! plan and Blue Cross Blue Shield’s (BCBS) Hinge Health, Omada, Wondr, and Teledoc Health programs help team members embrace a healthy lifestyle through benefits such as free, confidential health screenings; health coaching; fitness programs; weight-management programs; chronic condition management; and smoking-cessation resources.

- **Employee Assistance Program (EAP):** Through our EAP, team members can access various tools and resources, including confidential counseling sessions with licensed professionals.
- **Virgin Pulse GO:** Team members in Asia-Pacific, Europe, and the Middle East have access to this personalized, all-in-one health and well-being platform that offers daily tips, activities, mini challenges, digital health tools, and health assessments, as well as a community of support and encouragement.
- **Onsite Health Services:** We offer vaccine clinics to our team members at our Chicago, Franklin, and Toronto sites to give them easy access to flu and/or COVID-19 vaccines. In addition, we offer vision and hearing screenings to support team member safety.
- **Financial Planning Services:** S&C’s partnership with the Financial Awareness Institute offers team members free and confidential money management and financial planning services.

In May 2023, we actively promoted Mental Health Awareness Month by highlighting resources from our EAP provider and other programs. Each week during the month, we focused on a different aspect of total well-being (mental, financial, physical, and social) to help team members find guidance and support on their wellness journeys.

## COMPENSATION AND BENEFITS

Our total rewards program prioritizes the needs of our team members. This strategy aligns with our guiding principle of Respect for People and helps us attract and retain strong talent.

In the U.S., our [compensation and benefits packages](#) include market-competitive salaries and merit-based supplemental pay, retirement and financial planning tools, health and wellness support and benefits, and professional development opportunities.

We began developing a global total rewards strategy and roadmap in 2023 to enhance equity and support in employee recruitment and retention. Our initiatives during this development process included:

- Defining and applying compensation targets across North America
- Designing a global rewards and recognition program, which we anticipate launching by the end of 2024
- Implementing a comprehensive benefits education and communication program for team members in North America
- Redefining processes for job creation and writing job descriptions
- Leveraging third-party sites to benchmark compensation

# 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 Annual Giving Campaign, individual team member-led initiatives, and the S&C Fund, we aim to make a difference and fund meaningful community projects.

## ANNUAL GIVING CAMPAIGN

Our Annual Giving Campaign, led by our team members, provides financial support to nonprofit organizations and causes that align with our values.

### U.S. Giving Campaign:

- \$371,000 raised by team members in 2023
- \$2.1M+ raised since 2019
- Proceeds donated to:
  - CHC: Creating Healthier Communities
  - Feeding America
  - Misericordia Heart of Mercy
  - United Way

### Canada Giving Campaign:

- \$12,000 raised by team members in their first campaign
- Proceeds donated to:
  - Daily Bread Food Bank
  - Habitat for Humanity
  - hEr Volution
  - Sierra Club Canada
  - United Way

## INDIVIDUAL TEAM MEMBER-LED INITIATIVES

We encourage our team members to support organizations and causes that hold meaning to them. In 2023, our team members organized the following:

- **\$3,480** donated via the JP Morgan Challenge, a race held in the Chicago Loop, with proceeds benefiting a local nonprofit
- **\$1,800** raised in support of the Active Transportation Alliance by participating in Bike the Drive in Chicago
- **200 toiletry items** collected for Between Friends, a nonprofit dedicated to preventing domestic violence
- **\$15,000** raised for Special Olympics Chicago by team members who participated in a Polar Plunge
- **350 toys** collected for Toys for Tots across two S&C locations
- **\$1,500** raised for Movember Prostate Cancer Awareness Drive
- **~150 backpacks** filled as part of a Back-to-School supply drive in Chicago
- **\$2,500+** raised by S&C Canada to support the Terry Fox Foundation and cancer research





**S&C FUND**

The S&C Fund provides financial support to local and national nonprofit organizations. Through the fund, we support STEM (science, technology, engineering, and math) education, the arts and humanities, mental health services and support, domestic violence survivor resources, natural disaster relief, and basic human needs.

Philanthropic causes that received support from the S&C Fund in 2023 included:

- Adler Planetarium’s teen education programs
- American Red Cross
- American Writers Museum
- Ascension St. Francis Hospital, in support of emergency room behavioral health services
- Chicago Symphony Orchestra
- IEEE Foundation Inc., in support of science kits for public libraries in Chicago Public Schools
- Jane Addams Resource Corporation, providing manufacturing job training
- Joules Accelerator, an organization that supports climate tech startups
- University of Illinois Foundation

**More than \$1M donated to 50+ recipient organizations in 2023.**







# CUSTOMER-CENTERED INNOVATION



S&C's customers are central to our innovation process. As the grid faces challenges from an increasing demand for electricity and climate-change driven weather events, we develop products that enable resilient and reliable power. Through our strong, collaborative partnerships, we help customers solve their complex challenges and transform the grid for a sustainable electrical energy future.

- 42. Product Innovation and Sustainability
- 44. Product Quality
- 44. Product Safety
- 45. Product Life Cycle
- 46. Customer Focus and Support



# Product Innovation and Sustainability

We work closely with our customers to develop innovative solutions and support them throughout the entire product lifecycle.

► **Video:** [Advanced Technology Center Accelerates Product Innovation](#)

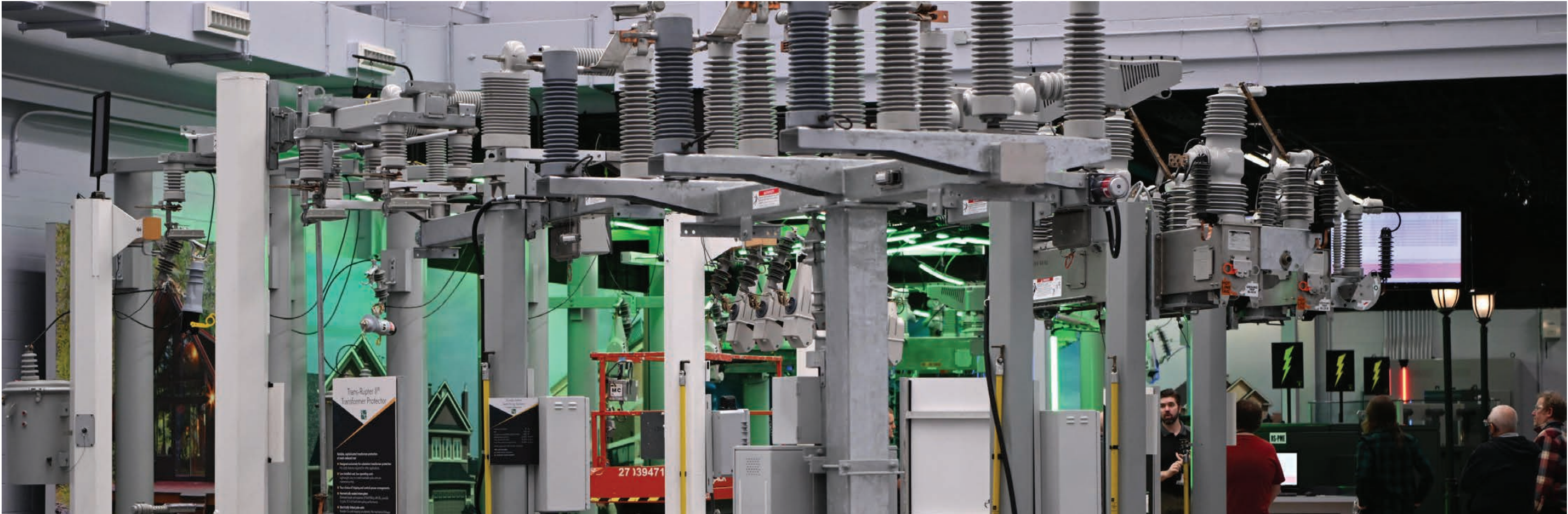
## OUR PRODUCT DEVELOPMENT STRATEGY

Research, development, and a drive to innovate are keys to our success.

Our product development strategy is guided by our company’s Vision: Creating an outage-free, sustainable electrical energy future. Our efforts are focused on solving the challenges associated with electrification and the transition to clean energy while advancing resilience and reliability. We accomplish this by taking a systemwide approach to product innovation. Our solutions are designed to work together to automate, interoperate, modernize, and advance our customers’ grids from substation to grid edge.

## Advancing Grid Resilience

In 2023, our long history of grid innovation and customer collaboration led directly to the development and launch of our [EdgeRestore® Underground Distribution Restoration System](#), the industry’s first automated solution for underground residential distribution circuits. Underground faults on these circuits result in an outage for a segment of the circuit 100 percent of the time, often lasting hours and requiring multiple truck rolls to restore power. Our grid-modernization solution advances grid resilience by identifying the fault and rerouting power from an alternate source within 60 seconds.





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

S&C is focused on managing SF<sub>6</sub> gas emissions, which have a high global warming potential. Our efforts include ongoing development of a program to decommission end-of-life product units for our customers and reclaim the SF<sub>6</sub> gas from this equipment to be recycled. We also reclaim and recycle SF<sub>6</sub> gas in our operations while maintaining our ambition to transition our operations from virgin to recycled SF<sub>6</sub> gas.

Our product portfolio includes several innovative solutions that provide alternatives to traditional gas-insulated switchgear and do not depend on SF<sub>6</sub> gas: Vista® SD and Vista® Green Underground Distribution Switchgear and the Scada-Mate® SD Switching System. As part of our decarbonization strategy, one of our 2030 goals is to develop alternatives for [Scada-Mate](#) switching products that still rely on SF<sub>6</sub> gas. All of our gas-insulated products, including circuit-switcher products, are sealed for life to minimize their environmental impact compared to products that require field gas-filling and maintenance.

### Recycling SF<sub>6</sub> Gas

Our customers benefit from our 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 2023, we invested in equipment to support the expansion of our product life cycle program. This equipment will allow us to offer reclamation and recycling services to customers operating S&C products using SF<sub>6</sub> gas that have reached the end of their service lifetime. Team members were trained on operation of this equipment in 2023, and this will allow us to begin offering both onsite and turnkey service options to our customers in 2024.

**S&C was recognized for Excellence in Innovation by the Economic Development Commission in Franklin, Wisconsin. The nomination honors S&C's continuous efforts in customer-centered innovation, operational excellence, and investment in local communities.**





# Product Quality

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

Our operations teams follow recognized [quality processes](#) to help ensure our products consistently meet customers’ needs and expectations. To drive continuous improvement, we monitor all customers’ experiences through a quality management system and take action to address customer concerns. All S&C manufacturing entities globally are registered and certified compliant with the ISO 9001:2015 quality management system standard.

## GLOBAL QUALITY TEAM ENSURES STANDARDS IN DESIGN AND PRODUCTION

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.

Throughout 2023, the global quality team focused on consistency and accuracy by improving documentation and processes, including:

- Placing greater emphasis on process control on the production lines, instead of reliance on inspection, to contain defects
- Increasing use of Digital Inspection Reports to document process control, testing, and inspection results on production lines
- Expanding documentation and enforcement of standard work for every product line
- Fostering better collaboration between the global quality team, product engineering team, and the manufacturing and assembly teams to solve problems

Key metrics the team measures include out-of-box customer concerns, defects per unit, cost of quality lapses, and the production part approval process. These measures allow us to chart the effectiveness of our quality programs and make adjustments as necessary to drive continuous improvement.



# Product Safety

## MONITORING PFAS

Our responsibility to customers and the environment includes being mindful of the health and environmental considerations of the materials used in our products and operations. Per- and polyfluoroalkyls (PFAS) represent a broad category of materials. As is common in the electrical industry, S&C uses specific PFAS compounds in certain electrical infrastructure products to enhance safety, reliability, and performance.

We have established a steering committee and several working groups to gather information and track developments in global-, federal-, and state-level regulations and legislation.

In 2023, we engaged in the following:

- Canvassing all materials that contain any category of PFAS
- Ensuring products do not contain any long-chain PFAS materials identified in the EPA’s existing or proposed rules
- Monitoring updates to regulatory efforts to track and limit PFAS
- Carefully evaluating use of PFAS materials in new products

S&C will continue working with our suppliers to identify PFAS materials used in product components, manufacturing processes, and through our supply chain. We will continue to research alternatives as newer materials are brought to market.

# Product Life Cycle

Product safety and performance are our primary objectives when designing our products' life cycles. We consider a robust set of sustainability factors in our products and processes, including the following:

- Engineering for safety
- Minimizing energy and resource use
- Reducing hazardous substance use and GHG emissions
- Minimizing waste
- Enhancing recyclability

Our [TripSaver® II Cutout-Mounted Recloser](#) helps customers modernize the grid and build a reliable, resilient system. The TripSaver II recloser reduces carbon dioxide (CO<sub>2</sub>) emissions and saves utilities money by reducing the need to send a repair truck for temporary faults. Customers can see how many pounds of CO<sub>2</sub> emissions were prevented by installed TripSaver II reclosers with the calculator on our website.

## SUSTAINABLE PRODUCT LIFE CYCLE CONSIDERATIONS

Our objectives and key performance indicators map out a five-year plan focused on sustainability and continuous improvement in product development. Our Sustainable Product Life Cycle Considerations influence our products' design, manufacturing, operation, modification, and end-of-life processes. The guidelines challenge us to choose product and packaging materials that minimize our environmental impact.





# Customer Focus and Support

We form close relationships with our customers and support them when they need it most. When a critical situation arises, such as a severe weather event, we support our customers’ needs and expedite required parts to assist in restoration efforts. Together with our customers, we enable resilient and reliable power worldwide.

▶ **Video:** [Educational Sessions at DISTRIBUTECH](#)

## POWER SYSTEMS SOLUTIONS TEAM

Our power systems solutions (PSS) team offers customers full life-cycle support personalized to their needs through phone support, training, monitoring, and educational opportunities. This support includes systematic planning of grid-modernization programs, developing implementation plans, commissioning, maintenance, and end-of-life upgrades and/or replacements.

The PSS team offers maintenance services that increase the longevity of our products, enable circularity, and have a direct impact on environmental sustainability. In 2023, the PSS team purchased equipment for reclamation of SF<sub>6</sub> gas in support of S&C’s larger program initiatives (read more in [Product Innovation and Sustainability](#)). The team’s focus areas for 2024 will be process implementation, team member training, and expansion to more customers.

## PSS TEAM 2023 BY THE NUMBERS

- 170+ team members
- 10 service centers around the globe
- 24/7 support
- 6,873 cases addressed by the Global Support and Monitoring Center and remote technical support team
- 995 work orders received by the field services team
- 1,699 service appointments completed
- 12 product workshops held

## PSS FULL LIFE CYCLE PROGRAM OFFERINGS

### Analytical Studies

Analytical studies that support system planning, reliability, and protective-device coordination

### Engineering and Project Management

Electrical and physical design packages provided in a wide range of complexity and voltage classes

### Cybersecurity

A suite of assessment services that lead to holistic network and system security integration

### Field Services and Technical Support

Services that help customers with the commissioning, programming, training, inspection, testing, preventative maintenance, refurbishment, and retrofitting of S&C products

### Product Configuration

Provide final configured product ready for installation in the grid by customers

## CONNECTING RENEWABLE ENERGY TO THE GRID

S&C's products help customers integrate distributed energy resources (DERs) into the electric grid. We conduct power system studies to evaluate the impact of adding renewable energy and design and commission microgrids that use renewable energy sources. Our GridMaster® Microgrid Control System optimizes the integration of renewables while maintaining a reliable grid.

As new DERs connect to the grid, they create the potential for bidirectional power flow and vastly different fault contributions, which complicates overcurrent protection. Customers choose products such as the IntelliRupter® PulseCloser® Fault Interrupter and our Vista® Underground Distribution Switchgear offerings to facilitate the interconnection of DERs to the distribution system. These devices protect the electric system while connecting DERs to the wider distribution grid, enabling a more sustainable energy future.

### Enabling Power Restoration Following Severe Storms

In April 2023, the Global Support & Monitoring Center received a call for help from a utility in the Southwestern U.S. after severe storms and tornadoes caused devastating damage in its service territory. The call initiated a sequence of events, including swift responses from S&C's Chicago operations and Phoenix service center. The next day, more than 5,000 fuses were shipped to the utility to help it restore power to its customers and recover from the severe weather events.





# GRI CONTENT INDEX

This Global Reporting Initiative (GRI) Index is intended to help S&C Electric Company’s valued stakeholders locate our disclosures in our 2023 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).

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021		
2-1	Organizational details	About S&C Electric Company, <a href="#">p. 3</a>
2-2	Entities included in the organization’s sustainability reporting	About S&C Electric Company, <a href="#">p. 3</a>
2-3	Reporting period, frequency and contact point	This sustainability report was published in mid-2024 and is reflective of the 2023 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's 2022 Scopes 1 and 2 emissions data in the S&C 2023 Sustainability Report may not be consistent with data in the S&C 2022 Sustainability Report because of inconsistencies identified by a third-party audit conducted in 2023. S&C did not make any other restatements in the reporting period.
2-5	External assurance	S&C received external assurance for its 2023 Scopes 1 and 2 GHG emissions. The Statement of Verification is posted on our website.
2-6	Activities, value chain and other business relationships	About S&C Electric Company, <a href="#">p. 3</a> Supply Chain Management, <a href="#">pp. 24-25</a>
2-7	Employees	About S&C Electric Company, <a href="#">p. 3</a>
2-9	Governance structure and composition	Corporate Governance, <a href="#">pp. 9-10</a>
2-10	Nomination and selection of the highest governance body	Corporate Governance, <a href="#">pp. 9-10</a>
2-11	Chair of the highest governance body	Corporate Governance, <a href="#">pp. 9-10</a>
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance, <a href="#">pp. 9-10</a> Sustainability Governance, <a href="#">p. 5</a>
2-13	Delegation of responsibility for managing impacts	Corporate Governance, <a href="#">pp. 9-10</a> Sustainability Governance, <a href="#">p. 5</a>
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance, <a href="#">p. 5</a>
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>

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021 - continued		
2-17	Collective knowledge of the highest governance body	Corporate Governance, <a href="#">pp. 9-10</a>
2-18	Evaluation of the performance of the highest governance body	Corporate Governance, <a href="#">pp. 9-10</a>
2-22	Statement on sustainable development strategy	CEO Message, <a href="#">p. 2</a> About S&C Electric Company, <a href="#">p. 3</a> Our Approach to Sustainability, <a href="#">pp. 5-6</a>
2-23	Policy commitments	Ethics, Integrity, and Governance, <a href="#">p. 7-11</a> <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>
2-29	Approach to stakeholder engagement	Our Approach to Sustainability, <a href="#">pp. 5-6</a> Supply Chain Management, <a href="#">pp. 24-25</a>
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Our Approach to Sustainability, <a href="#">pp. 5-6</a>
3-2	List of material topics	Our Approach to Sustainability, <a href="#">pp. 5-6</a>
3-3	Management of material topics	Our Approach to Sustainability, <a href="#">pp. 5-6</a>
GRI 301: Materials 2016		
3-3	Management of material topics	Waste Management, <a href="#">pp. 20-21</a> Product Innovation and Sustainability, <a href="#">pp. 42-43</a> Product Life Cycle, <a href="#">p. 45</a> Customer Focus and Support, <a href="#">pp. 46-47</a>
301-2	Recycled input materials used	Waste Management, <a href="#">pp. 20-21</a>

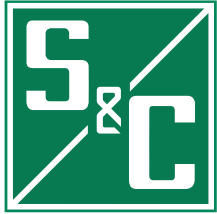


GRI STANDARD	DISCLOSURE	LOCATION
GRI 302: Energy 2016		
3-3	Management of material topics	Energy Efficiency, <a href="#">pp. 18-19</a>
302-1	Energy consumption within the organization	Energy Efficiency, <a href="#">pp. 18-19</a>
302-3	Energy intensity	Energy Efficiency, <a href="#">pp. 18-19</a>
302-4	Reduction of energy consumption	Energy Efficiency, <a href="#">pp. 18-19</a>
302-5	Reductions in energy requirements of products and services	Customer-Centered Innovation, <a href="#">pp. 41-47</a>
GRI 303: Water and Effluents 2018		
3-3	Management of material topics	Water Conservation, <a href="#">p. 23</a>
303-1	Interactions with water as a shared resource	Water Conservation, <a href="#">p. 23</a>
303-5	Water consumption	Water Conservation, <a href="#">p. 23</a>
GRI 304: Biodiversity 2016		
3-3	Management of material topics	Enhancing Green Spaces for Our Communities and Facilities, <a href="#">p. 23</a>
GRI 305: Emissions 2016		
3-3	Management of material topics	Climate Change and Decarbonization, <a href="#">pp. 13-17</a> Air Quality, <a href="#">p. 22</a>
305-1	Direct (Scope 1) GHG emissions	Scopes 1 and 2 Global GHG Emissions, <a href="#">p. 17</a>
305-2	Energy indirect (Scope 2) GHG emissions	Scopes 1 and 2 Global GHG Emissions, <a href="#">p. 17</a>
305-4	GHG emissions intensity	Scopes 1 and 2 Global GHG Emissions, <a href="#">p. 17</a>
305-5	Reduction of GHG emissions	Advancing Our Decarbonization Strategy, <a href="#">p. 13-16</a>
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Air Quality, <a href="#">p. 22</a>
GRI 306: Waste 2020		
3-3	Management of material topics	Waste Management, <a href="#">pp. 20-21</a>
306-1	Waste generation and significant waste-related impacts	Waste Management, <a href="#">pp. 20-21</a>
306-2	Management of significant waste-related impacts	Waste Management, <a href="#">pp. 20-21</a>
306-3	Waste generated	Waste Management, <a href="#">pp. 20-21</a>
306-4	Waste diverted from disposal	Waste Management, <a href="#">p. 20</a>
306-5	Waste directed to disposal	Waste Management, <a href="#">p. 21</a>

GRI STANDARD	DISCLOSURE	LOCATION
GRI 308: Supplier Environmental Assessment 2016		
3-3	Management of material topics	Scope 1 Emissions, <a href="#">p. 15</a> Supply Chain Management, <a href="#">pp. 24-25</a> <a href="#">Supplier Code of Conduct</a>
GRI 401: Employment 2016		
3-3	Management of material topics	Talent Attraction and Retention, <a href="#">p. 31</a> Team Member Well-Being, <a href="#">p. 38</a>
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Compensation and Benefits, <a href="#">p. 38</a>
401-3	Parental leave	Compensation and Benefits, <a href="#">p. 38</a>
GRI 403: Occupational Health and Safety 2018		
3-3	Management of material topics	Team Member Health and Safety, <a href="#">pp. 27-30</a>
403-1	Occupational health and safety management system	Team Member Health and Safety, <a href="#">pp. 27-30</a>
403-2	Hazard identification, risk assessment, and incident investigation	Team Member Health and Safety, <a href="#">pp. 27-30</a>
403-3	Occupational health services	Team Member Health and Safety, <a href="#">pp. 27-30</a> Team Member Well-Being, <a href="#">p. 38</a>
403-4	Worker participation, consultation, and communication on occupational health and safety	Safety Action Teams Empower Team Members, <a href="#">p. 28</a>
403-5	Worker training on occupational health and safety	Team Member Health and Safety, <a href="#">pp. 27-30</a>
403-6	Promotion of worker health	Team Member Health and Safety, <a href="#">pp. 27-30</a> Team Member Well-Being, <a href="#">p. 38</a>
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Team Member Health and Safety, <a href="#">pp. 27-30</a>
403-8	Workers covered by an occupational health and safety management system	Team Member Health and Safety, <a href="#">pp. 27-30</a>
403-9	Work-related injuries	Team Member Health and Safety, <a href="#">p. 29</a>
GRI 404: Training and Education 2016		
3-3	Management of material topics	Team Member Engagement and Development, <a href="#">pp. 32-33</a>
404-2	Programs for upgrading employee skills and transition assistance programs	Team Member Training and Leadership Development, <a href="#">p. 33</a> Affinity Groups Encourage a Sense of Belonging, <a href="#">p. 37</a>



GRI STANDARD	DISCLOSURE	LOCATION
GRI 405: Diversity and Equal Opportunity 2016		
3-3	Management of material topics	Diversity, Equity, and Inclusion, <a href="#">pp. 34-37</a>
405-1	Diversity of governance bodies and employees	Board of Directors, <a href="#">p. 9</a> 2023 Diversity at a Glance, <a href="#">p. 35</a>
GRI 406: Non-discrimination 2016		
3-3	Management of material topics	Diversity, Equity, and Inclusion, <a href="#">pp. 34-37</a> <a href="#">Required Ethical Standards, Code of Business Conduct</a> <a href="#">DE&amp;I Statement</a>
GRI 413: Local Communities 2016		
3-3	Management of material topics	Social Impact and Community Engagement, <a href="#">pp. 39-40</a>
413-1	Operations with local community engagement, impact assessments, and development programs	Affinity Groups Encourage a Sense of Belonging, <a href="#">p. 37</a> Social Impact and Community Engagement, <a href="#">pp. 39-40</a>



# EMPOWERING PEOPLE, TRANSFORMING THE GRID

2023 SUSTAINABILITY REPORT

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