

TRANSFORMING FOR A  
**Sustainable  
Energy Future**

2024 SUSTAINABILITY REPORT





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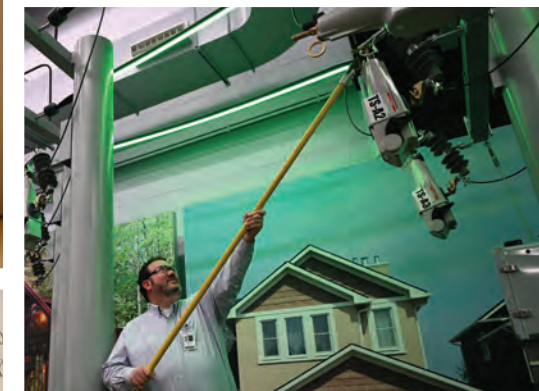
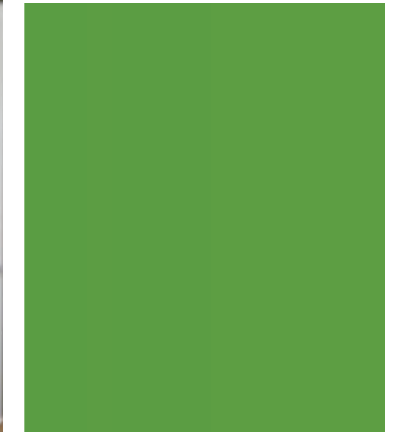
# Introduction

## About This Report

This 2024 Sustainability Report details S&C Electric Company's sustainability vision, strategy, key milestones, and achievements. The Report covers the period from January 1, 2024, to December 31, 2024, except where otherwise noted.

Through our Purpose, Vision, and Mission, and driven by our Values & Guiding Principles, we are dedicated to transforming the grid for a more reliable and sustainable energy future while caring for our team members, customers, and the communities in which we work. In 2024, S&C continued to advance the implementation of our strategy, as well as reporting and disclosure around our sustainability efforts, including the issues that matter most to us and our stakeholders.

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



# CEO Message

Electricity plays a vital role in our lives. As our reliance grows, sustained power outages become more damaging and costly, with significant human and economic impacts. As our grid faces further challenges from extreme weather, aging infrastructure, and rising demand, increasing resilience is more important than ever. That's where S&C innovation makes a difference. Our solutions transform the grid to be more resilient, reliable, and responsive to the needs of a rapidly changing world.

To meet the urgency for our proven technologies, we expanded our Chicagoland operations in 2024 by opening our new 275,000-square-foot manufacturing facility in Palatine, Illinois. This state-of-the-art, LEED Silver-certified facility enhances our production capacity, streamlines our processes, and enables us to expand our product lines. The Palatine facility created 200 production and engineering jobs, strengthening our presence as the second-largest manufacturer in Chicago.

As always, our commitment to safety remains our top priority. In 2024, we saw a significant reduction in workplace incidents. This was thanks to the emphasis on leading indicators and organizational engagement, including our team members' participation in daily ergonomic exercise routines and the ongoing efforts of our Safety Action Teams and Safety Steering Committee. We are pleased by this progress toward our safety vision – that all injuries are preventable.

A diverse and dynamic workforce is key to our continued growth and success. In 2024, we partnered with the Department of Defense's SkillBridge program to provide career training and placement opportunities for military service members transitioning from active duty. This initiative earned S&C the "Hire Our Heroes" Certified Employer designation and highlights our commitment to supporting veterans as they build rewarding careers in our industry.

Our workplace culture, driven by our Values & Guiding Principles, continues to earn recognition. Once again, *USA Today* and the *Chicago Tribune* honored us by naming S&C a top workplace. We were also recognized on the National Center for Employee Ownership's (NCEO) Employee Ownership 100 list, celebrating our employee-driven collaboration and innovation culture.

We also continued to advance our sustainability leadership. For the second consecutive year, S&C received the Leading Practices in Supply Chain Sustainability Case Study Award from the Sustainable Supply Chain Alliance (SSCA), recognizing our efforts to decarbonize our manufacturing operations. I am proud to share that we were once again rated a B score in the 2024 CDP climate change disclosure – a meaningful achievement, especially given the CDP's updated and expanded scoring system, which now places greater emphasis on comprehensive environmental management. In alignment with our aim to advance our sustainability reporting efforts, we also disclosed our water security practices for the first time, earning a B- score.

This year, S&C received more A-level scores than ever before across four disclosure categories. These results reflect our growing commitment to transparency, continuous improvement, and environmental focus.

In closing, I am deeply grateful and thankful to our team members for their dedication to caring for each other, our customers, and our communities. Their commitment to safety, operational excellence, and innovation makes S&C what it is today and is essential to our continued success.



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

Thank you,

A handwritten signature in black ink that reads "Anders". The signature is written in a cursive, flowing style.

**Anders Sjoelin**  
President & CEO  
S&C Electric Company

# 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 inclusive, global workforce develops and manufactures innovative solutions for a more intelligent and resilient electrical distribution 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.

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



Employs 4,100+ team members globally



Provides innovative and proven technologies to help manage an increasingly complex grid



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



# Our Approach to Sustainability

Our approach to sustainability is grounded in our Values & Guiding Principles, which reflect our commitments to our team members, customers, communities, and the environment.

## Sustainability Strategy

Our sustainability strategy and pillars 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 our operational excellence programs.

As part of our strategy, we work closely with our customers to deliver solutions for more resilient and reliable electrical distribution. Through these relationships, we address the ever-evolving needs of our industry, stakeholders, and planet through innovation and teamwork. Together we bring new innovations to life as we transform the grid and enable a sustainable energy future.



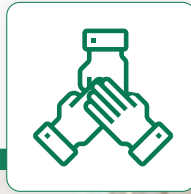
## Sustainability Governance

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



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

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



### People-First Culture

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

- Talent Attraction and Retention
- Team Member Engagement and Long-Term Career Development
- Respect for People
- Team Member Well-Being
- Compensation and Benefits
- Social Impact and Community Engagement



### Operational Excellence

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

- Team Member Health and Safety
- Emissions Reduction
- Energy Efficiency
- Waste Management
- Air Quality
- Water Conservation and Security
- Supply Chain Management



### 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 and Sustainability
- Product Quality
- Product Life Cycle
- Customer Focus and Support

# Ethics, Integrity, and Governance

We adhere 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 other stakeholders fairly; acting ethically; and 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 reinforce our reputation as a trusted partner and respected employer.

Our associate general counsel – global compliance counsel, labor and employment, and our senior ethics and compliance specialist 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 associate general counsel – global compliance, labor and employment serve as chair and co-chair, respectively, of the S&C Compliance Committee, which includes global leaders from each area of the business and members of our senior leadership team.

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 jurisdictions and 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 customer needs to provide the best possible service
- Behave ethically at all times to foster trust, dignity, fairness, and respect among team members, customers, and suppliers
- Maintain workplace safety
- Seek ways to reduce S&C's environmental impact and uphold our high standards of product and service quality
- Comply with all applicable laws, rules, standards, best practices, and regulations and 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 hotline, which is operated by an independent, third-party provider.



### Corporate Governance

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 and led by senior leadership, we prioritize 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, 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 chair John Estey, former S&C president and CEO. As of year-end 2024, 30 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 to invite all 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.

### SUMMARY OF BOARD COMMITTEE OVERSIGHT

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>Ensuring board skills and experience align with the company’s strategy and needs</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> </ul>
Human Resources and Compensation	<p><b>Assists the board in carrying out its overall responsibility relating to human resources and compensation, including:</b></p> <ul style="list-style-type: none"> <li>Executive compensation, including compliance and programs</li> <li>Leadership development and succession</li> <li>Broadly applicable human resource, compensation, and benefit programs</li> </ul>
Audit and Compliance	<p><b>Assists the board with matters involving accounting, financial reporting, internal control, and risk management, with oversight of:</b></p> <ul style="list-style-type: none"> <li>The integrity of S&amp;C’s financial statements</li> <li>The performance of S&amp;C’s financial function and strength 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>Compliance with S&amp;C’s Guiding Principles and Required Ethical Standards, Code of Business Conduct</li> <li>Together with S&amp;C leadership, periodic review of certain business risks delegated and assigned to the committee by the board under the company’s enterprise risk management program</li> </ul>

#### S&C’s Governance Policies

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

## 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 strategy and sustainability objectives. These objectives include increasing the diversity of our leadership team. As of year-end 2024, 33 percent of our executive leadership is diverse in terms of gender, race, or ethnicity.



## Expanding Collaboration and Advocacy

To better foster industry collaboration and advocacy, S&C’s government relations function studies key legislation and regulations that impact our industry. This function’s primary focus is on policy analysis and educational outreach to third-party stakeholders on industry issues relevant to our business. Led by the government affairs director, this team also monitors and engages in a variety of legislative and regulatory efforts at the federal, state, and local levels and tracks federal funding initiatives for grid modernization.

S&C maintains relationships with key advocacy groups to support our government relations efforts:

- Advanced Energy United (AEU)
- American Public Power Association (APPA)
- Edison Electric Institute (EEI)
- Employee-Owned S Corporations of America (ESCA)
- GridWise Alliance
- National Association of Manufacturers (NAM)
- National Electrical Manufacturers Association (NEMA)
- National Rural Electric Cooperative Association (NRECA)
- The ESOP Association (TEA)

## Enterprise Risk Management

Our Enterprise Risk Management (ERM) program identifies, monitors, and manages internal and external business risks. Risk identification, assessment, and monitoring are designed to facilitate effective decision-making and drive business performance.

In addition to our ERM, S&C's information technology risk management team focuses on overseeing cybersecurity and protecting our operations, sensitive information, and customer data. The board reviews cybersecurity matters and strategy on a quarterly basis. The corporate cybersecurity council, with senior leadership representation, meets monthly to review all elements of our cybersecurity strategy, key risk indicators, and the latest cyber-related events.

## Cybersecurity

S&C's cybersecurity program governs the handling, storage, and deletion of all printed and digital information regarding business activities. 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 to 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 also responsible for adhering to our privacy and cybersecurity policies. Each team member with access to external internet and email is required to complete cybersecurity awareness training. Formal, role-based training is provided to team members as needed.

In 2024, we worked to mature our management of cybersecurity risk and continue aligning our policies with the International Organization for Standardization (ISO) 27001. Specific areas of focus included improving our incident response plan (IRP), streamlining our security alert processing, mitigating our exposure to system vulnerabilities, and enhancing our processes and controls for access management and software updates.

We also conducted an IT system audit to conform with ISO 27001 and validate enhancements to our information security management system (ISMS). To meet and exceed the requirements of ISO 27001, we instituted corrective action plans as needed to strengthen our supplier risk management process and data classification standards. In addition, we are conducting strict reviews of policies that govern our IT practices and processes.





# 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 succeed.

## In This Section

- Talent Attraction and Retention
- Team Member Engagement and Long-Term Career Development
- Respect for People
- Team Member Well-Being
- Social Impact and Community Engagement



# Talent Attraction and Retention

We are dedicated to providing long and meaningful careers for our team members. Our average U.S. team member tenure is **8.2 years**, and our average tenure globally is **8.3 years** – nearly twice the average tenure for U.S. and global employees.<sup>1</sup>

We honor team member milestones, including our Quarter Century Club, which celebrates team members who achieve 25 years of service to S&C. In 2024, we inducted **62 team members** across the globe into the club.

**Video:** [Workplace Awards & Recognition](#)



<sup>1</sup> The Bureau of Labor Statistics reported that the average career tenure for a U.S. employee in 2024 was 3.9 years, while the International Labour Organization noted the global average career tenure was 4.2 years.

## RECRUITING AND RETAINING TOP TEAM MEMBERS

As an employer of choice, we focus on key objectives that help us meet our need for talent, now and in the future. These objectives include strategic workforce planning, cultivation of nontraditional 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, as well as key programs and talent populations, play an essential role in attracting talent to S&C. These relationships include:

- **National industry associations**, including Women in Manufacturing, National Society of Black Engineers, Society of Women Engineers, and Institute of Electrical and Electronics Engineers.
- **A placement program for veterans**, established in 2024 through the Department of Defense (DOD) SkillBridge program. SkillBridge connects transitioning service members with industry partners in real-world job experiences. S&C initiated a partnership with the program to offer training and positions as machinists or field services technicians. We welcomed four team members in 2024 through this program.
- **Internships and co-ops** for 39 college students, as well as special events such as coffee chats with our executive team, product demonstrations, and networking events.
- **Early talent opportunities** for 56 high school students via a summer job program and a job shadow week, as well as frequent career-focused outreach events at local schools and colleges.

## Welcoming Guests to National Manufacturing Day Event

In October 2024, we hosted our second National Manufacturing Day open house and welcomed more than 450 students and community members to our Chicago campus. The event included product demonstrations, a tour of our in-house robotics lab, and opportunities to learn about manufacturing careers. Attendees were able to network, connect with S&C team members, and learn more about the company and potential careers. Additionally, we partnered with the Rogers Park Historical Society for a presentation about being an environmentally conscious citizen.

In 2024, S&C hosted

**135** community hiring events,

attended

**69** career outreach events at local schools,

and welcomed

**89** hires from community partnerships and outreach activities.

# Team Member Engagement and Long-Term Career Development

We aim to support every team member in reaching their full potential while they are at S&C. As such, we provide engagement and career growth opportunities, talent development programs, educational support, and a comprehensive performance management process.

## IMPROVING OUR WORKPLACE THROUGH TEAM MEMBER FEEDBACK

Our culture of continuous improvement is fueled by feedback and insights from our team members. We ask 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 the enterprise level and within functions. Feedback from the 2023 engagement survey inspired the following initiatives in 2024:

- **Comprehensive rewards statements:** We implemented total compensation statements for U.S. employees in the fall. These statements include a comprehensive view of S&C’s employee contributions, including compensation and benefits, and will be an important tool for attraction and retention.
- **Retention improvement efforts:** We conducted interviews and focus groups to gather insight on ways to improve team member retention. This effort resulted in action plans to be implemented in 2025.
- **Recognition platform:** We developed, and introduced in 2025, a global platform where team members can provide each other with positive recognition. Recipients can choose to redeem their awards for merchandise, gifts, experiences, or charitable contributions.

## 2024 Engagement Survey Highlights

Our 2024 global engagement survey, encompassing both salaried and hourly team members, recorded an 81 percent response rate. Highlights include:

- **90 percent** of team members believe S&C is committed to team member safety.
- **89 percent** of team members feel comfortable reporting any safety concern, large or small.
- **84 percent** of team members have a clear understanding of what is expected of them at work.
- **83 percent** of team members believe S&C is taking action to be socially responsible.
- **82 percent** of team members feel that they are treated with respect at work.
- **82 percent** of team members believe that S&C shows a commitment to ethical business decisions and conduct.



## TEAM MEMBER TRAINING AND LEADERSHIP DEVELOPMENT

S&C provides critical training for team members throughout the year. Programs required for all team members are 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. Through a variety of programs that target different goals, skills, or team member populations, our training and development structure empowers all team members to grow and develop at S&C.

### Continuous Improvement of Our Work Elements Program

In 2024, we completed our first phase of improvements to Work Elements, our skill-based pay program for production team members. Improvements included a new learning track that offers team members the opportunity to become specialized trainers in standard work procedures. Based on team member interest, we also began a new partnership with Oakton Community College to offer expanded equipment maintenance training to supplement our on-the-job offerings.

Our second phase of improvements to the Work Elements program will focus on reengaging our team members with this training program via a variety of learning aids. In addition, new team member onboarding will provide a more thorough overview of Work Elements to educate team members about this development opportunity.



## SIGNATURE TRAINING AND DEVELOPMENT PROGRAMS BY THE NUMBERS

### Manufacturing Work Elements

**1,226** skill certifications earned in 2024 – a **34%** increase over 2023.

### Leadership Development Program

**99** team members participated in 2024 – more than double the number of participants in 2023. In addition, **five** past program participants were promoted to leadership.

### Team Member Training

**62,657** training hours completed globally across all programs – a **31%** increase over 2023.

# Respect for People

Respect for People is fundamental to our Values & Guiding Principles and the foundation of our company culture. Our [DE&I Statement](#) highlights our dedication to advancing an inclusive and equitable workforce: At S&C, everyone is essential.

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

## ENHANCING TEAM MEMBER DIVERSITY

S&C promotes a culture of respect for all team members across the globe, regardless of race, ethnicity, religion, sex, age, sexual orientation, gender identity, national origin, disability, veteran status, marital status, or diversity of thought. We participate in several initiatives to engage a diverse talent pool at S&C, including:

- Improving our recruitment and retention efforts by broadening our talent pools and recruiting through partnerships
- Promoting 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

### DE&I Council Establishes Formal Purpose

Our DE&I Council includes 18 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.

In 2024, the council formalized its purpose – to cultivate a truly inclusive environment at S&C. This purpose is built on four pillars:

1. **Listening** to our team members and empowering their voices
2. **Amplifying** our Values & Guiding Principles, as well as our DE&I Statement
3. **Sharing** our journey through metrics and authentic storytelling
4. **Offering** diverse perspectives on policies

## 2024 DIVERSITY AT A GLANCE

### RACIAL DIVERSITY – U.S. Only

	All	New Hires	Hourly	Salary	Leadership
White	36.3%	29.3%	22.9%	60.7%	60.1%
Black	17.3%	19.4%	22.7%	7.3%	9.3%
Asian	14.4%	14.0%	13.3%	16.5%	13.3%
Hispanic	29.8%	34.0%	38.6%	13.8%	16.0%
American Indian/ Alaska Native	0.2%	0.5%	0.4%	0.0%	0.0%
Native Hawaiian/ Other Pacific Islander	0.2%	0.0%	0.2%	0.0%	0.0%
Two or More	1.8%	2.8%	1.9%	1.7%	0.5%

### GENDER DIVERSITY – Global

	All	New Hires	Hourly	Salary	Leadership
Female	21.2%	22.8%	18.9%	25.0%	20.2%
Male	78.7%	76.8%	81.0%	74.9%	79.8%
Nonbinary <sup>1</sup>	0.1%	0.4%	0.1%	0.1%	0.0%

<sup>1</sup> 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	15.5%	38.6%	17.9%	11.7%	1.4%
30 to 50	48.8%	47.2%	45.2%	54.6%	54.2%
Over 50	35.7%	14.2%	36.9%	33.7%	44.4%

### ADDITIONAL DEMOGRAPHICS – U.S. Only

	All	New Hires	Hourly	Salary	Leadership
Veteran status	2.0%	1.7%	2.0%	2.0%	2.9%
Disability	5.3%	8.0%	4.8%	6.1%	5.1%

## PROVIDING A WORK ENVIRONMENT OF INCLUSION AND EQUITY

We provide learning opportunities that promote an accepting, inclusive environment. In 2024, our Connecting with Others hands-on workshop expanded internationally to our locations in Mexico and Canada.

Ninety-two percent of S&C leaders have gone through the training since its first session in 2022.

We also regularly evaluate our benefits and resources to ensure that we remain competitive as an employer of choice. To support our efforts, we educate leaders about pay equity and use pay ranges to align skills and performance with compensation. Our status as an ESOP promotes equity by allowing team members to benefit from and see the value of their contributions to the company's success.

**S&C was recognized as a Hire Our Heroes Certified Employer for our newly formed partnership with the Department of Defense SkillBridge program. Through this partnership, we support veterans with long-term, fulfilling careers in manufacturing.**

## S&C is Powered by Diversity at DISTRIBUTECH

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 event, Anders Sjoelin, our president and CEO, led a discussion with two other leaders in the electrical industry. The panelists noted that building a culture where DE&I is ingrained into everyday work is challenging, but when done with intentionality, the work can significantly improve employee engagement and performance.

In addition, Rappahannock Electric Cooperative was awarded the annual S&C Powered by Diversity Award, which honors an electric utility that demonstrates outstanding achievements in diversity, equity, and inclusion in the workplace.



## AFFINITY GROUPS ENHANCE THE TEAM MEMBER EXPERIENCE

S&C's [affinity groups](#) provide connection and learning opportunities for team members. From professional development sessions and social events to affinity month awareness, our groups offer in-person and virtual programming throughout the year to encourage team member engagement. The groups also support efforts led by individual team members who want to make an impact in their local communities. More information on these initiatives can be found in [Social Impact and Community Engagement](#).

Affinity group highlights from 2024 include:

- The Wellness Action Team Toronto (WATT) group participated in the annual Terry Fox Run to raise money and awareness for cancer research. With a match from S&C, the team's donation totaled \$1,950.
- S&C Connects hosted multiple events each quarter, including a fireside chat with Nicole Colen, our new Chief Human Resources Officer.
- The Women's Empowerment Group (WEG) organized multiple events around breast cancer awareness, including a panel discussion where team members had the opportunity to learn from survivors about their experiences.
- The Canadian Women's Group honored International Women's Day. All team members were welcome, and participants shared inspiring stories about the women in their lives.

- Franklin Connections continued their annual support for the Hunger Task Force with nearly 300 pounds of in-person food donations and monetary support of over \$3,000. These donation totals were nearly double what the group contributed in 2023.
- S&C Toastmasters held 24 events in 2024, including sponsorship of a booth at a hiring event to promote group membership as an option to enhance the S&C employee experience.
- The Inclusion, Diversity, Engagement & Awareness (I.D.E.A.) Group collected more than 500 school supplies for Chicago Public Schools via their annual back-to-school drive.
- Spectrum's annual Pride Walk raised awareness for the group and the broader LGBTQ+ community. More than 80 team members attended the event.

**Video:** [Affinity Groups at S&C](#)



Nearly  
**700** team members  
attended events organized  
by S&C Connects in 2024.

# Team Member Well-Being

We embrace a holistic view of team member well-being, offering resources, programs, and policies that support mental, physical, and financial health. These include:

- Medical plan benefits
- Retirement and savings plans, including our 401(k) + ESOP benefit
- Employee assistance programs
- Health and wellness digital platforms
- On-site health services
- Financial planning services

## COMPENSATION AND BENEFITS

Our total rewards program prioritizes the needs of our team members, aligns with our Guiding Principle of Respect for People, and helps us attract and retain strong talent.

Progress made in 2024 on our global total rewards strategy and roadmap includes:

- Working with a third-party partner to assess current plans and gather recommendations for improvement
- Assembling a cross-functional team to develop a new global recognition and reward program that is aligned with our Values & Guiding Principles
- Expanding resources for team members in the U.S. and Canada focused on mental, physical, social, and financial well-being

## BENEFITS PACKAGES FOR U.S. TEAM MEMBERS



**Health & Wellness**



**Education Reimbursement**



**Wellness Program**



**Vacation & Holidays**



**Retirement Savings**



**Other Benefits**



# Social Impact and Community Engagement

Our history of community engagement dates back to the 1920s, when one of S&C’s founders, Nicholas Conrad, joined other business leaders to found the United Way of Metropolitan Chicago. Over the following decades, S&C built on this tradition of philanthropy by forming strong relationships with a variety of community organizations that operate where we live and work. Through our Annual Giving Campaign, individual team member-led initiatives, and the S&C Electric Company Fund, we aim to make a difference by funding meaningful community projects.

## 2024 ANNUAL GIVING CAMPAIGN RESULTS

### U.S. Giving Campaign

- \$320,000 raised by team members
- \$2.4M+ raised since 2019
- Proceeds donated to:
  - CHC: Creating Healthier Communities
  - Feeding America
  - Misericordia Heart of Mercy
  - United Way

### Canada Giving Campaign

- \$13,000 raised by team members
- \$25,000 raised since 2023
- Proceeds donated to:
  - Daily Bread Food Bank
  - Habitat for Humanity
  - Sierra Club Canada
  - United Way

## TEAM MEMBER-LED INITIATIVES

We empower our team members to support organizations and causes that hold meaning to them. In 2024, our team members led initiatives that resulted in the following:

- **\$9,750** donated via the JP Morgan Challenge, a race held in the Chicago Loop, with proceeds benefiting Hope Chicago
- **\$1,500** raised in support of the Active Transportation Alliance by participating in Bike the Drive in Chicago
- **60 blankets** made for a local chapter of Project Linus
- **298 pounds of clothing** donated to New Circles, a Canadian nonprofit that provides support and skills training for newcomers, refugees, and other deserving families and individuals
- **200 toiletry items** and **\$1,300 in food items** collected for Between Friends, a nonprofit dedicated to preventing domestic violence
- **190+ toys** collected for Toys for Tots
- **228 units of blood** donated to the American Red Cross

Video: [2024 Annual Giving Campaign](#)

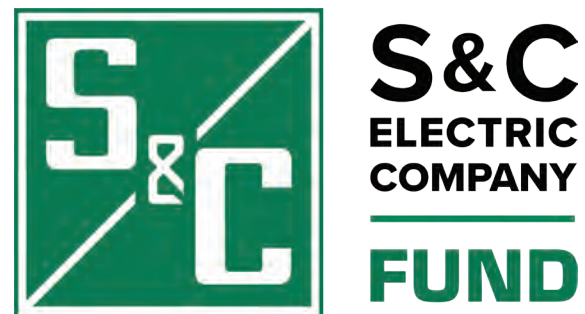


## THE S&C ELECTRIC COMPANY FUND

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

In addition to our Annual Giving Campaign, which is matched by the S&C Fund, philanthropic causes that received support from the Fund in 2024 included:

- American Red Cross
- American Writers Museum
- Big Brothers/Big Sisters of Metropolitan Chicago
- Care for Real, which addresses food insecurity
- Chicago Public Library Foundation
- Chicago Symphony Orchestra
- Jane Addams Resource Corporation, providing manufacturing job training
- Joules Accelerator, an organization that supports climate tech startups
- Junior Achievement of Chicago



In 2024, the S&C Electric Company Fund's philanthropic support totaled more than

**\$1 million**  
in support of more than

**50** recipient organizations.



# Operational Excellence

Our Value & Guiding Principle of Responsible Stewardship drives how we manage the environmental impact of our business activities. We leverage leading standards and frameworks to help reduce our environmental footprint and conserve natural resources.

## In This Section

- Team Member Health and Safety
- Emissions Reduction
- Energy Efficiency
- Waste Management
- Air Quality
- Water Conservation and Security
- Supply Chain Management



# Team Member Health and Safety

Respect for People is a fundamental Value & Guiding Principle and forms the foundation for our companywide safety goal: to be injury free. We emphasize the importance of safe work practices starting on every team member's date of hire and reiterate those behaviors throughout their career at S&C.

We consider safety a team sport, and we uphold a culture of shared responsibility through a safety-first mentality. Team members are guided by the principle: "If you see something, say something and, most importantly, DO something."

## ORGANIZATIONAL OWNERSHIP FOR HEALTH, SAFETY, AND ENVIRONMENT

Our HSE team is responsible for executing and monitoring the success of our global safety strategy, policies, and procedures. At the beginning of 2024, we restructured the team to create separate pillars for ownership of safety and environmental initiatives. This new structure has streamlined communication, enhanced support for operations leaders and team members, reduced workplace incidents, and lessened our environmental impact.

## Safety Action Teams Drive Shared Responsibility

S&C has 14 safety action teams (SATs) that engage team members in identifying and remediating potential safety risks. All team members have an opportunity to serve on an SAT for their department or team on a rotating basis. SAT responsibilities include:

- Completing regular "Go-and-See" inspections and addressing any safety concerns that are identified
- Managing our Quick-Fix program, which addresses problems or hazards that can be addressed immediately
- Organizing safety awareness and promotion campaigns
- Providing targeted safety programs based on data analysis
- Conducting accident/incident investigations and reporting findings
- Owning progress and resolution of identified safety improvement opportunities

We also have a Safety Steering Committee, composed of one representative from each SAT as well as senior leaders from production operations. The committee meets regularly to review each team's progress and share best practices.

Video: [Cultivating a Safety-First Culture](#)



In 2024, the SATs completed  
**140** job safety analyses

and more than  
**4,500** quick fixes.

## SAFETY PERFORMANCE

S&C’s safety-first mindset drives our performance and supports 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

We advance leading indicators through team member engagement, promotion of a safety-first culture, and regular safety observations. These practices allow our teams to proactively identify risks, address concerns, and preempt safety issues. Each production leader is required to perform eight safety observations per month.

### Lagging Indicators

S&C reports and analyzes key lagging indicators, including total case incident rate (TCIR) and days away, restricted, or transferred (DART), to determine the effectiveness of our proactive safety programs. We continually seek ways to reduce our lagging safety indicators.

Improved indicators in 2024 reflect multiple initiatives:

- Improvements to root cause analyses and investigative techniques
- Addition of a worker readiness program to our new hire onboarding process
- Safety and ergonomic reviews of equipment and processes
- Quicker intervention time and improved management of musculoskeletal injury cases
- Leading indicators awareness campaign, led by our principle of “If you see something, say something, and, most importantly, DO something.”



In 2024, our production leaders performed

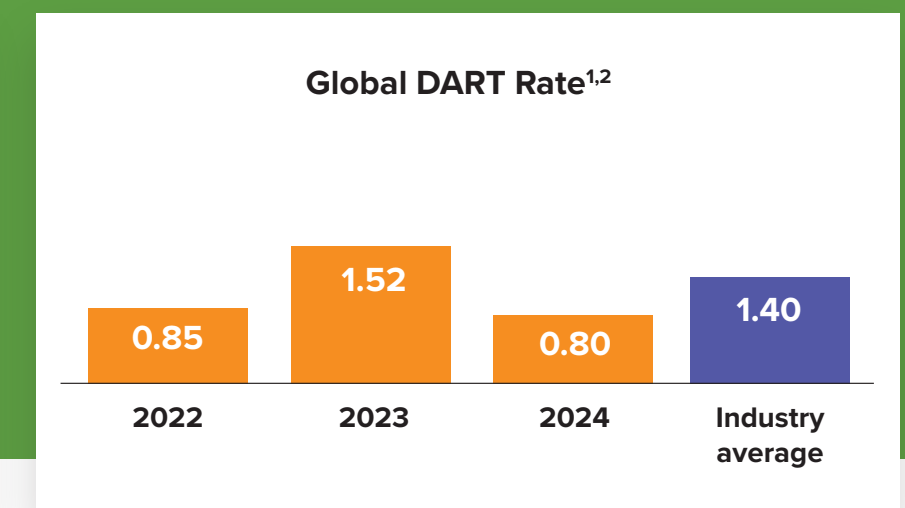
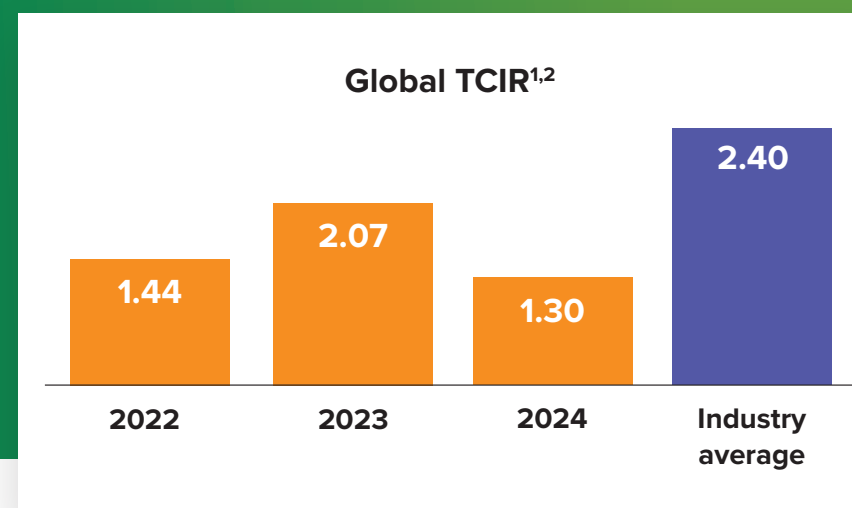
**12,455**

safety observations overall,

totaling

**1,038** per month.

### LAGGING INDICATORS



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

<sup>2</sup> Industry averages were sourced from U.S. Department of Labor North American Industry Classification System (NAICS) statistics.

AS A RESULT OF OUR EFFORTS, S&C RECORDED THE FOLLOWING IN 2024:

**79%** decrease in lost workdays globally

**71%** reduction in strains and sprains

**55%** decrease in DART cases globally

**41%** decrease in OSHA recordable injuries globally

## RESOURCES FOR INJURY PREVENTION AND REDUCTION

We emphasize the importance of ergonomics in injury prevention. Our operations team members in the U.S. perform mandatory three-minute warmup sessions twice per day. These warmup exercises reduce the risk of injury by preparing team members for their workday and teaching safe alignment for repetitive tasks such as lifting, bending, pushing, and pulling.

We introduced a new routine mid-year that is focused on the upper back, neck, and shoulders. Team members now perform each routine once per day. This multifaceted approach helps prevent musculoskeletal and soft-tissue injuries.

### Highlights from OSHA Safe + Sound Week

S&C participated in the Occupational Safety and Health Administration’s Safe + Sound Week for the fourth year in a row. Activities at our Chicago, Palatine, Franklin, Toronto, and Mexico locations included educational sessions, vendor information, and more. In addition to stations focused on specific safety topics, S&C Mexico also offered health screenings and routine tests to promote preventive care for our team members.



# Emissions Reduction






S&C mitigates the environmental impact of our operations through our comprehensive environmental sustainability program, which includes our stated commitment to achieving net zero greenhouse gas (GHG) emissions by 2050. We referenced the [Science Based Targets initiative](#) best practices in setting our targets and used the [United Nations Sustainable Development Goals \(UN SDGs\)](#) framework to develop our strategy. This strategy includes initiatives associated with Scopes 1, 2, and 3 emissions reductions.

## Demonstrating Improvement Through Transparent Reporting

We commit to transparency through our annual CDP disclosures. In 2024, we achieved a B score (based on 2023 data). We also participated in a water security disclosure for the first time and received a B-minus score for our conservation efforts.

Year	Score
2018	D
2019	D
2020	D
2021	C
2022	C
2023	B
2024	B

## MID- AND LONG-TERM DECARBONIZATION TARGETS

Emissions	UN SDG	Mid-Term Targets	Long-Term Targets
<b>Scope 1 – Direct</b>	  	<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<sup>®</sup> 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>
<b>Scope 2 – Indirect Purchased Energy</b>		<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<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>Evaluate and pursue the most effective opportunities for continued investment in renewable energy generation</li> </ul>
<b>Scope 3 – Indirect Value Chain</b>		<ul style="list-style-type: none"> <li>Develop global baseline by 2025</li> </ul>	<ul style="list-style-type: none"> <li>To be developed based on the completed Scope 3 baseline</li> </ul>

<sup>1</sup> S&C has purchased renewable energy certificates since 2020 to meet 100 percent of global electricity use. Read more in [Energy Efficiency](#).

## SCOPE 1 EMISSIONS

We focus on addressing two main sources of emissions: the use of sulfur hexafluoride (SF<sub>6</sub>) gas and stationary sources that run primarily on natural gas.

**Reducing SF<sub>6</sub> gas:** Our teams implement technology and process improvements that reduce emissions from products containing SF<sub>6</sub> gas during production and throughout these products' lifetimes.

In 2024, as part of our continuous improvement efforts, we completed a four-step problem solving process to enhance operational performance and further reduce SF<sub>6</sub> emissions in our Vista® Underground Distribution Switchgear production. This initiative focused on continuous improvement of our processes and opportunities for refinement in manufacturing and assembly.

In addition to internal process improvements, we continue to develop more sustainable product alternatives for customers looking to eliminate SF<sub>6</sub> gas from their supply chain.

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

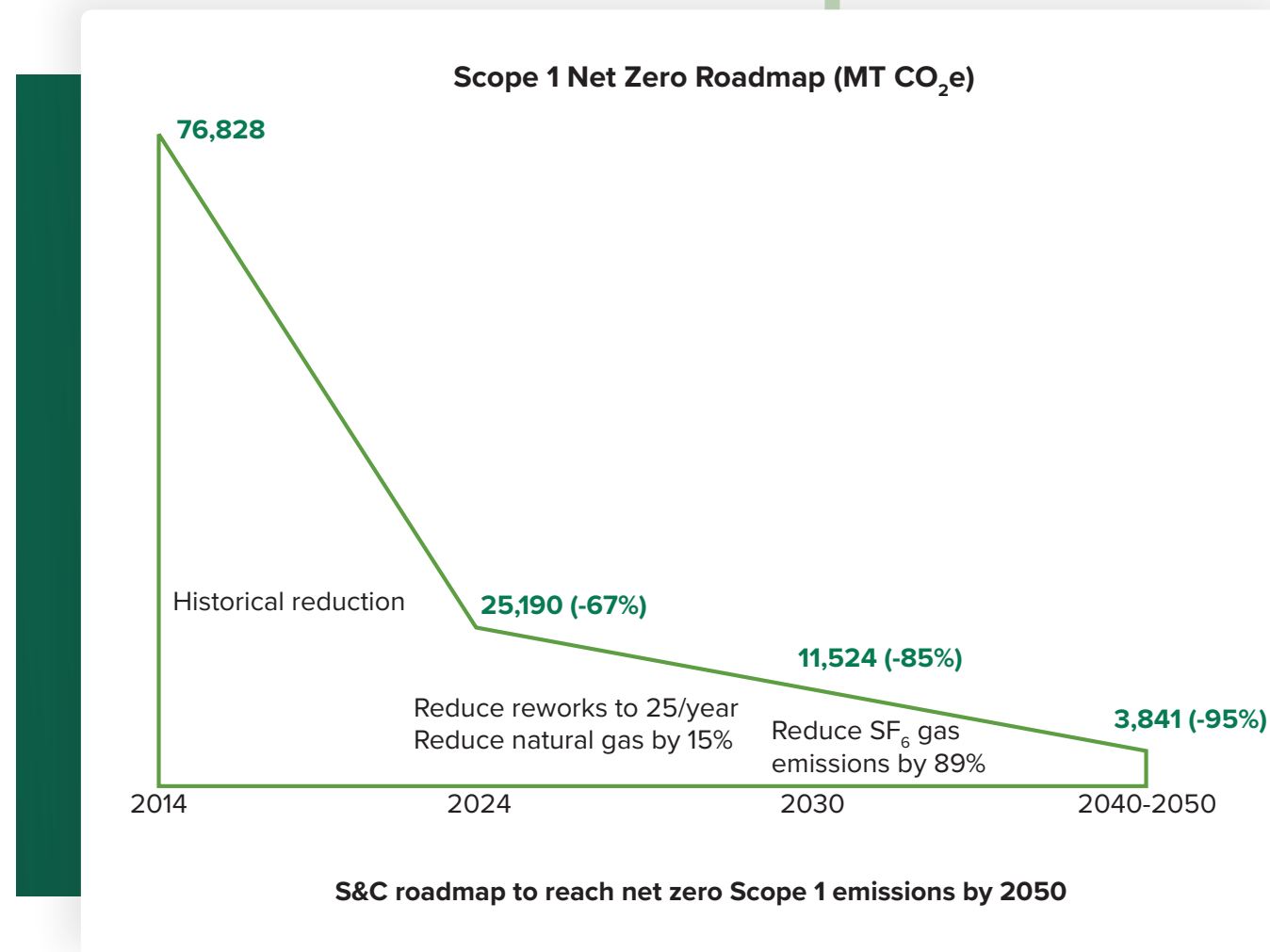
**Investing in energy efficiency:** S&C's second main source of Scope 1 GHG emissions comes from stationary sources, such as boilers, heaters, and ovens, at our Chicago and Toronto facilities. Read more about our initiatives to reduce Scope 1 GHG emissions and develop more efficient operations in [Energy Efficiency](#).

## SCOPE 2 EMISSIONS

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 promote cleaner energy. We are also analyzing feasibility and funding for on-site solar at various facilities across the globe, including our Mexico and Chicago offices.

Read about our efforts to reduce on-site Scope 2 emissions in [Energy Efficiency](#).

Since 2020, we have purchased renewable energy credits to offset 100 percent of our global Scope 2 market-based emissions.



## SCOPE 3 EMISSIONS

In 2024, we established a global Scope 3 emissions baseline using the GHG Protocol spend-based method to calculate our emissions from purchased goods and services, operational waste, employee commuting, business travel, upstream transportation, and fuel and energy. As a result, we quantified Scope 3 as the largest source of GHG emissions at S&C, driven by emissions in our supply base. This activity also expanded our initial estimations of U.S.-based spend to global operations.

As an outcome of our baseline calculation and establishment, we have developed a supplier survey that launched in early 2025. Data collected will allow us to more accurately calculate the environmental impact related to our value chain and create action plans to develop reduction initiatives.

Scope 3 emissions are estimated to account for 80 percent of S&C's total emissions. As a result, we believe our action plan and collaboration with suppliers will play a key role in reducing our environmental impact.



<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> 2024 Scope 1 emissions increased due to an increase in fugitive SF<sub>6</sub> emissions from equipment and operational inefficiencies. Scope 1 emissions were minimally impacted by other sources such as natural gas consumption, fuel usage, and applicable refrigerants, all of which remained consistent from 2023 to 2024.

<sup>3</sup> 2024 Scope 2 location-based emissions slightly increased due to an increase in global electricity usage.

<sup>4</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 environmental footprint. We reduce our emissions through capital improvement projects to drive efficiency, including automation systems, LED lighting, equipment upgrades, green building practices, and electric vehicles (EVs) and charging stations.

We implemented the following initiatives in 2024:

- Achieved **LEED Silver** certification at our newly renovated and expanded Palatine operations
- Installed **four new EV chargers** at our Palatine facility and started the approval process for **two electric security vehicles** and chargers for our Chicago campus
- Converted **95 percent** of our 46-acre Chicago campus to **LED lighting**
- Remedied **100 percent of air leaks** identified by a study at our Canada facility
- Optimized the **HVAC settings** in our Baglan facility to reduce electricity usage by **26 percent**
- Began installation of **LED lighting** in our China facility, which is on track to be 100 percent LED by the end of 2025
- Conducted a **natural gas optimization study** at our Chicago operations, identifying **five capital projects** for implementation in 2025

## NATURAL GAS USE

We use natural gas, primarily in our Chicago and Toronto facilities, for building heating systems and manufacturing processes, including boilers and curing ovens. To reduce natural gas use by 30 percent by 2030, 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.

In 2024, we completed a study at our Chicago facility to identify potential equipment upgrades and/or optimization to reduce our reliance on natural gas. As a result, five projects were identified and submitted for capital implementation in 2025, which can save up to 250,000 kg CO<sub>2</sub>e a year. Our strategy to reduce natural gas usage also includes retiring old steam systems, which is currently in progress. We will also focus on designing high-efficiency equipment when replacing old systems rather than retrofitting them.



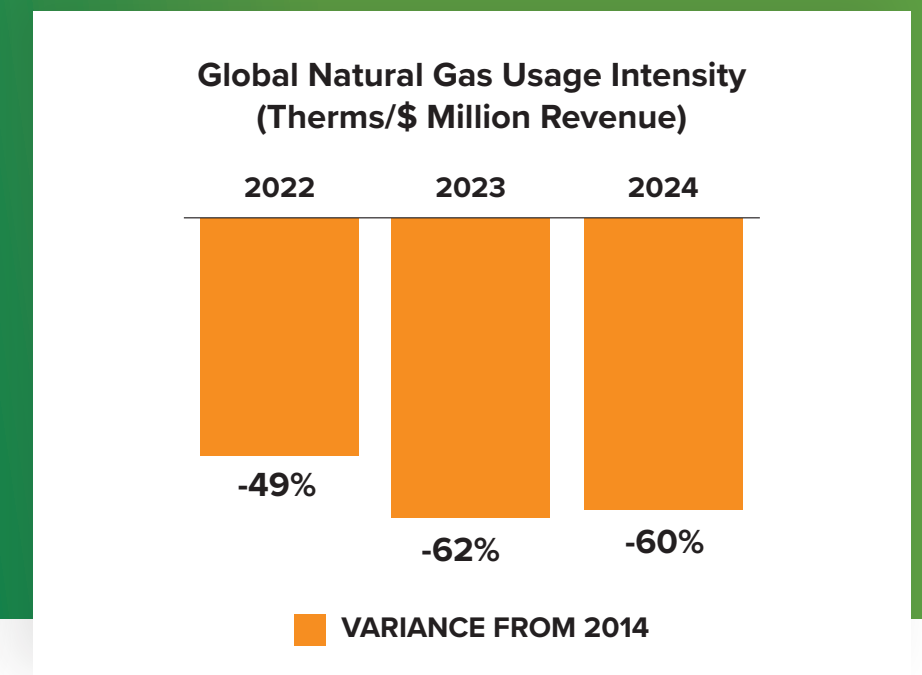
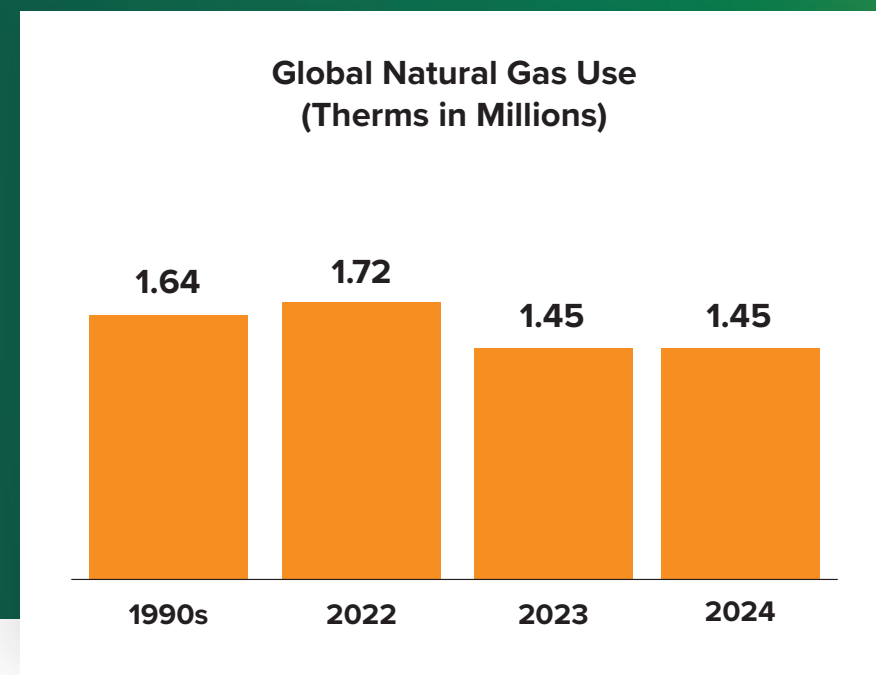
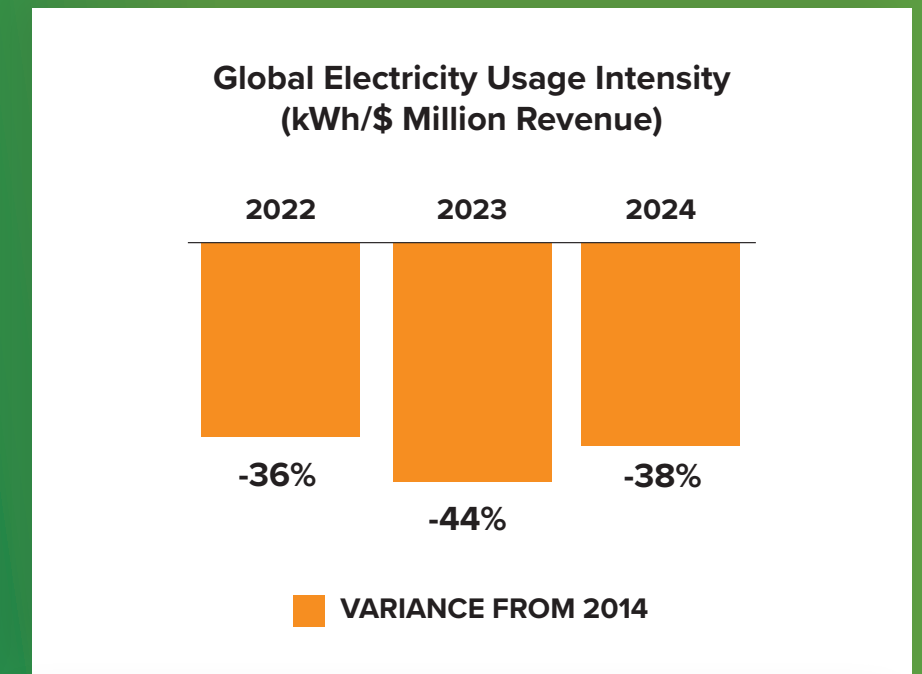
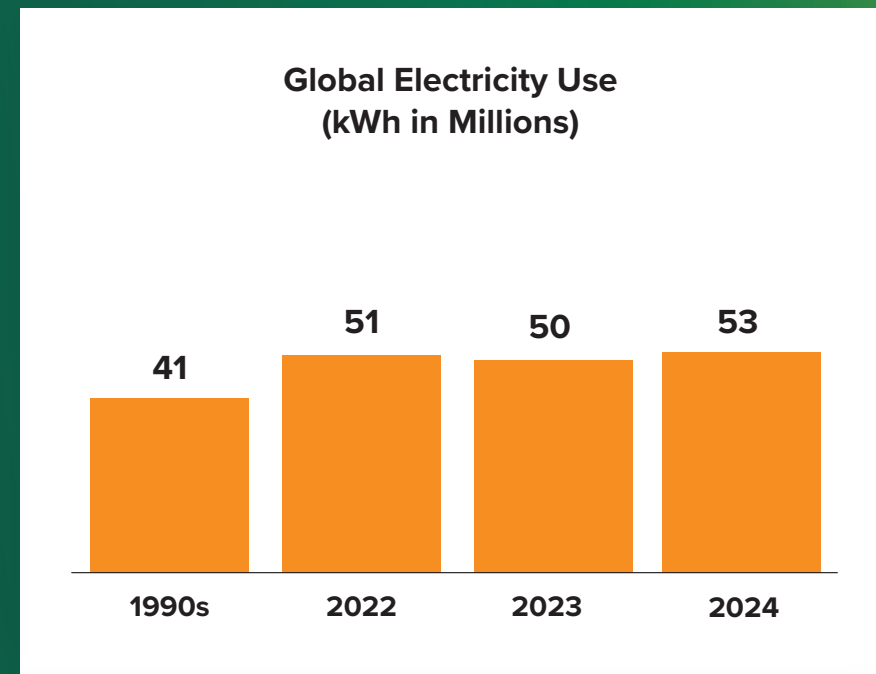
## IMPROVING BUILDING EFFICIENCY

We regularly review our facilities for potential areas of efficiency gain in our global manufacturing footprint. These findings led us to implement a variety of initiatives, including LED lighting, HVAC optimization, compressed air studies, and other equipment upgrades.

## ADHERING TO GREEN BUILDING STANDARDS

S&C follows green building standards, and four of our U.S. buildings are 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 2024, we expanded our U.S. footprint with a 275,000-square-foot facility in Palatine. As the building was commissioned, it achieved LEED Silver status due to a variety of sustainability elements, including EV chargers, LED lighting, a high-efficiency HVAC system, and low-flow water fixtures.



# Waste Management

Our waste management program focuses on prevention, reuse, recycling, and recovery initiatives, including composting. Our business model is designed to enable a circular economy by reducing waste in operations and optimizing end products for recyclability.

## OUR WASTE MANAGEMENT STRATEGY

Responsible waste management practices are critical to support our goal to meet and maintain 99 percent landfill-free status at all global manufacturing sites year over year. In 2024, we focused on the following strategies:

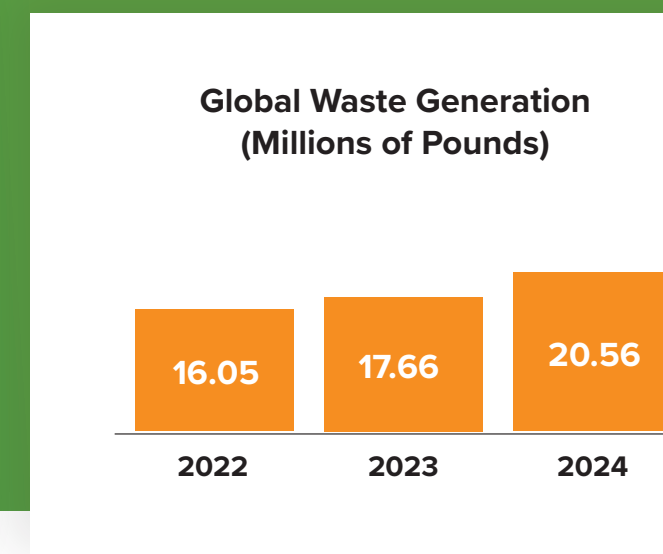
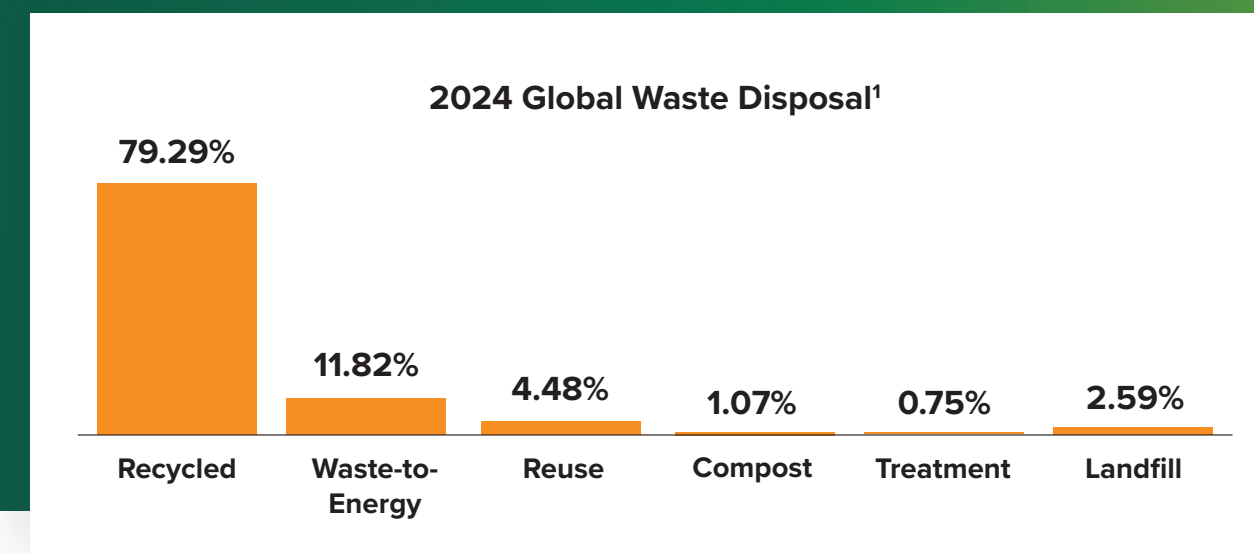
- Increasing waste audit frequency to inform data-driven initiatives targeting proper waste segregation practices
- Piloting new large-format recycling bins, signage, and team training in Chicago to simplify and increase proper waste separation
- Training team members on waste-related procedures and initiatives
- Increasing team member engagement with our waste management program via regular communications

## DIVERTING WASTE FROM LANDFILL ACROSS OUR OPERATIONS

In 2024, S&C's landfill-free performance increased from 96.50 percent to 97.41 percent, resulting in an increase of 0.91 percent. Waste generation increased by 16 percent from 2023 to 2024, primarily driven by our business growth.

S&C introduced a variety of initiatives in 2024 to advance our goal of 99 percent waste diversion across our global footprint, including the following:

- **United Kingdom:** Increased our percentage of waste recycled by 11 percent by removing redundant office materials and work equipment
- **Mexico:** Reduced hazardous scrap material by process improvement, resulting in increased recycling rates and achieving 99 percent landfill-free status in September
- **Canada:** Converted materials sent to waste-to-energy (WTE) to recycling via alternative fuel production
- **China:** Phased out disposable serviceware in the cafeteria



<sup>1</sup> In 2024, the sustainability team focused on data integrity. As a result, we adjusted our waste-to-energy (WTE) calculation to reflect the EPA's ash factor, which states 15 to 25 percent of WTE stays as ash in landfills. S&C is using a 15-percent factor now compared with past calculations that used a 10-percent factor.

## Encouraging Sustainability Among Our Communities and Team Members

- **Chicago Hosts “Clean and Green” Event in Conjunction with the City’s 49<sup>th</sup> Ward**

For the second year in a row, our Chicago team members partnered with Chicago’s 49<sup>th</sup> Ward to host our “Clean and Green” Event on Earth Day. Chicago Mayor Brandon Johnson and Alderperson Maria Hadden joined us to promote recycling efforts and collect electronics from the surrounding community. We collected 4,320 pounds of e-waste for proper recycling.

- **Mexico Promotes “Sustainability Week” in Local Community**

Our team members in Mexico recognized S&C’s annual sustainability week by promoting a variety of sustainability initiatives to our community members. They collected hard-to-recycle items, such as batteries, electronics, and other household items, and provided education and resources for residents to compost at home. The team also collected bottle caps for children fighting cancer and set up a new, standardized waste collection infrastructure in the community park. The team hosted a symposium to provide further education and giveaways for participating community members.

- **Canada Hosts “Environmental Week” to Encourage a More Sustainable Lifestyle**

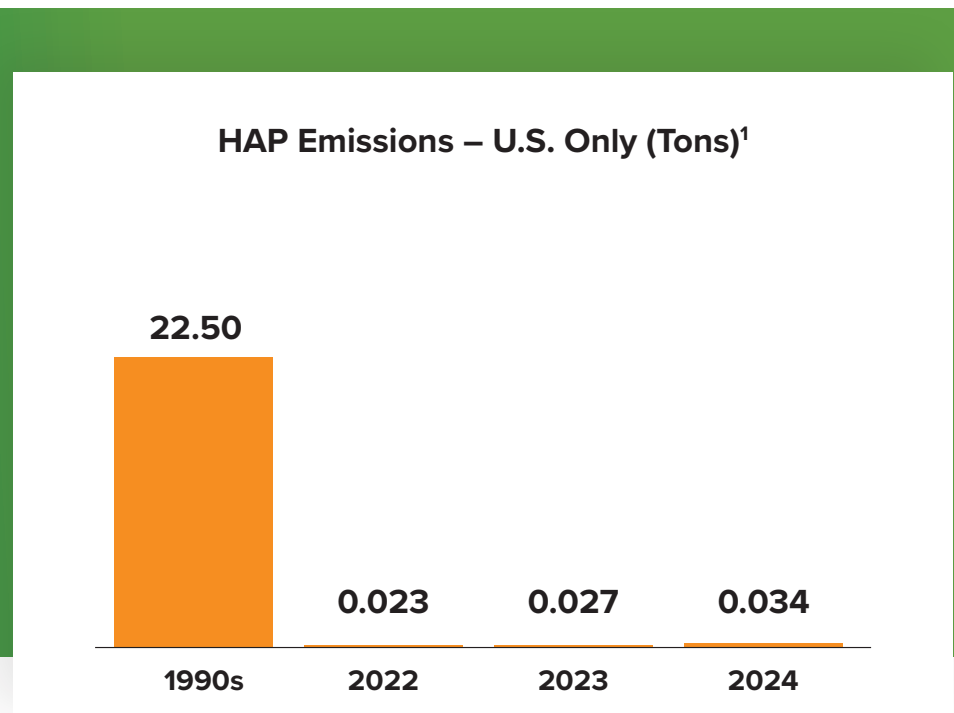
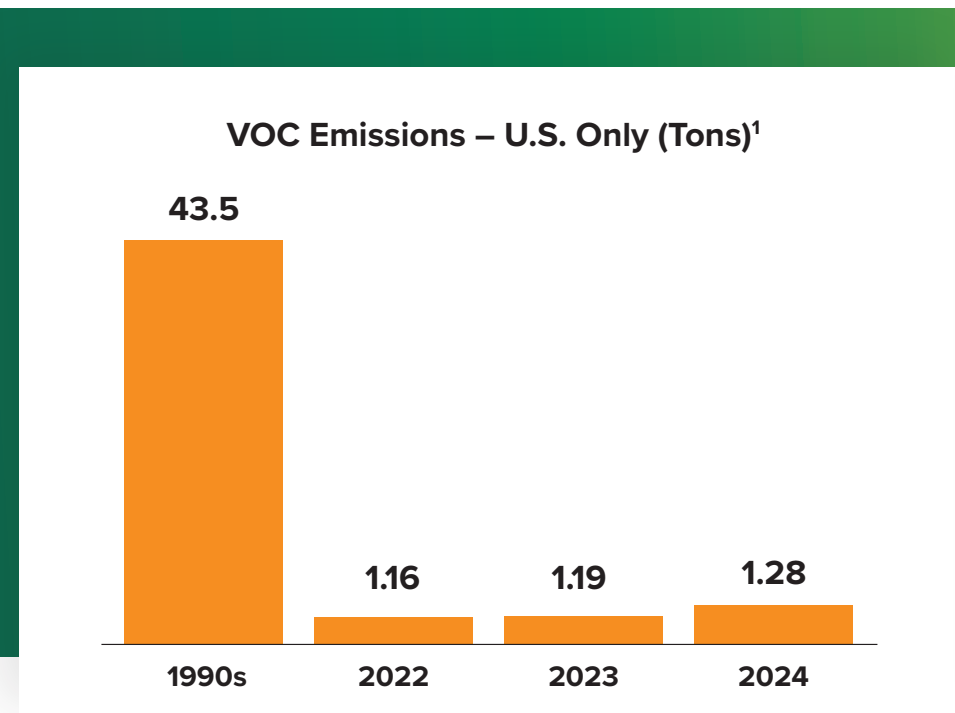
In Canada, our leadership organized an “Environmental Week” to encourage team members to develop an eco-friendlier lifestyle and reduce waste. As part of this event, we hosted a clothing and small household item drive, where we collected 62 pounds of waste for a local nonprofit. We also collected 93 pounds of e-waste for recycling. Additionally, the team launched an informational campaign to educate team members on sustainable lifestyles and reducing waste in their daily lives.



# 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. 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.

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



<sup>1</sup>We report our VOC and HAP emissions in compliance with Title 42 of the Clean Air Act.

# Water Conservation and Security

We leverage lean manufacturing practices, facility upgrades, shared best practices, and conservation efforts to reduce and secure our water consumption.

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

- Closed loop cooling systems, including cooling towers, a dry cooler system, and an evaporative fluid cooler
- Cleaning and inspection enhancements
- Recirculation and recycling in operations processes
- Low-flow devices on faucets and bathroom fixtures

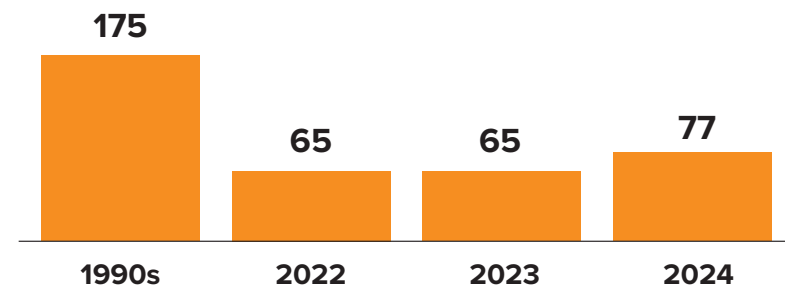
## Enhancing Green Spaces for Our Communities and Facilities

S&C dedicates time and resources to creating and enhancing green spaces near our facilities. Our team members, as well as community residents, continue to enjoy the Arlys Conrad Memorial Park and Native Pollinator Garden at our Chicago campus.

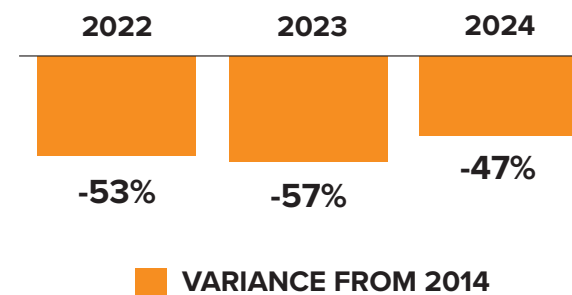
In 2024, we presented the environmental benefits of this space at Chicago’s Wilderness Alliance Annual Congress.

Continuing the tradition S&C established in 2022, we donated more than 4,100 trees to be planted by “Trees in Celebration” in 2024. This number represents each S&C team member around the globe.

**Global Water Use  
(Millions of Gallons)**



**Global Water Usage Intensity  
(Gallons/\$ Million Revenue)**



# Supply Chain Management

We partner with suppliers that share our values and commitments to maintain a reliable and responsible supply chain. We prioritize suppliers that pursue continuous improvement and demonstrate focused efforts around diversity and inclusion, human rights, and environmental stewardship. Read about our efforts to reduce supply chain emissions in [Emissions Reduction](#).

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.

## 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 commitment to be responsible stewards of the environment, we take the following steps to reduce the impact of our supply chain and sourcing efforts:

- Sourcing regionally to reduce emissions from transportation and support the local economy
- Driving circularity by promoting efficient materials use, mitigating waste in packaging, and exploring recycling outlets for different materials
- Mapping efficient routes and optimizing load size to drive energy efficiency and reduce emissions

## EXPANDING SUPPLIER DIVERSITY

S&C's sourcing strategies are based on S&C's Guiding Principles, which help us identify opportunities to increase spending in diverse supplier categories. Our strategic aim also includes considering diverse suppliers in requests for quotes regarding our supply chain efforts.

### 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 2024, the SSCA presented S&C with a [Leading Practices in Supply Chain Sustainability Case Study](#) award at the organization's annual Sustainable Sourcing Conference. This award specifically recognized S&C's decarbonization strategy and efforts.

Additional areas of focus in 2024 included:

- Enhancing our approach to sourcing from diverse suppliers through access and insight from databases
- Increasing proactive engagement in outreach efforts, including vetting more than 60 new suppliers and approving seven new suppliers
- Developing actionable ways to increase our diverse spend in electronics, wire harness, stampings, machining, and sheet metal fabrication
- Strengthening existing collaboration with diverse suppliers

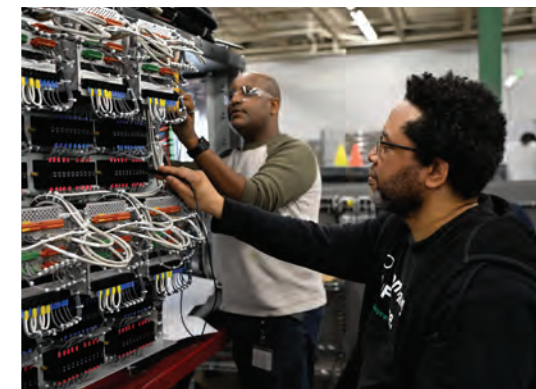


# Customer-Centered Innovation

S&C's customers are central to our innovation process. As the grid faces challenges from an increasing demand for electricity and severe 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.

## In This Section

- Product Innovation and Sustainability
- Product Quality
- Product Life Cycle
- Customer Focus and Support



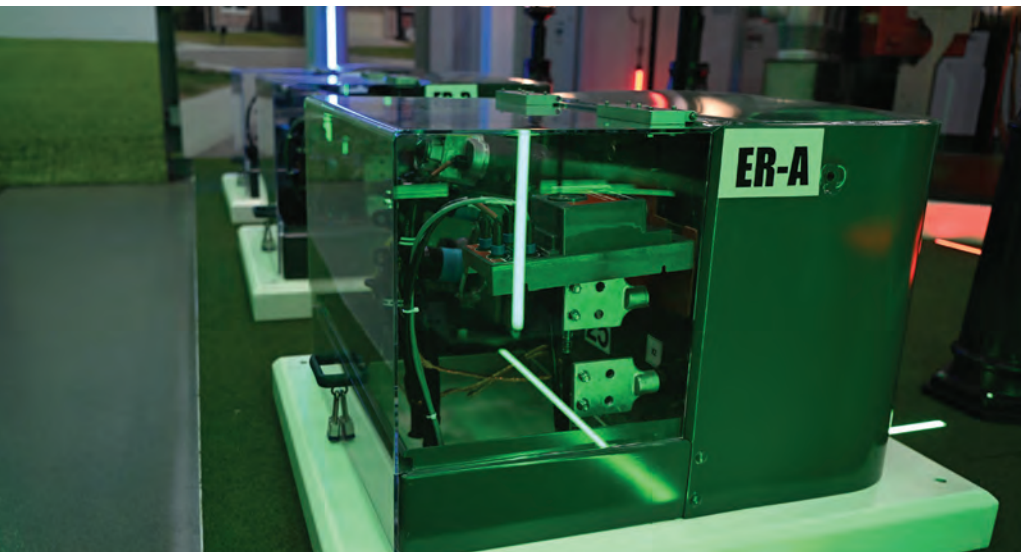
# Product Innovation and Sustainability

We work closely with our customers to develop innovative and sustainable solutions that transform the grid. As we collaboratively focus on resilience and improve reliability, our support extends throughout the full life cycle of our products.

## Our Product Development Strategy

Our product development strategy is guided by our Vision to create an outage-free, sustainable electrical energy future. Our engineering expertise and deep understanding of customers' challenges enable us to develop breakthrough solutions to improve the resilience and reliability of electric power distribution.

**Our EdgeRestore® Underground Distribution Restoration System, released in 2023, is the result of our long history of grid innovation and customer collaboration. The EdgeRestore system advances grid resilience by identifying faults and rerouting power from an alternate source within 60 seconds.**



## Seeking More Sustainable Replacements for SF<sub>6</sub> Gas

We continue to focus on managing SF<sub>6</sub> gas emissions. As part of our decarbonization strategy and 2030 goals, we are developing alternatives for [Scada-Mate](#) switching products that still rely on SF<sub>6</sub> gas. We made progress on system and control plans in 2024 as we advance toward our goal of delivering a solution by 2030. Our product portfolio already includes several alternatives to traditional gas-insulated switchgear that do not depend on SF<sub>6</sub> gas: Vista® SD and Vista® Green Underground Distribution Switchgear, as well as the Scada-Mate® SD Switching System.

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

We also support our customers' efforts to reclaim and recycle SF<sub>6</sub> gas and equipment. This includes decommissioning end-of-life product units for our customers and reclaiming the SF<sub>6</sub> gas from this equipment to be recycled. In addition, we provide full documentation for compliance reporting. To simplify this process for our customers, we provide full but flexible service options for various work locations and customer responsibilities. We also continue to seek ways to expand our program and enhance reporting.

**S&C was named Supplier of the Year for Innovation by Wesco Utility. This award program recognizes Wesco Utility's supplier partners' pursuit of continuous improvement, flawless execution, and commitment to innovation in the face of changing market dynamics to meet customers' needs. S&C was selected from nearly 150 individual nominations to be recognized not just for our innovative products, but for commitments across the organization – from our commitment to sustainability to our initiatives around workplace culture.**

# Product Quality

We engineer quality, reliability, and durability into every S&C product.

Our operations teams follow [quality processes](#) to ensure our products consistently meet customers' needs and expectations. We drive continuous improvement by monitoring all customers' experiences through a quality management system, and we take action to address customer concerns.

Throughout 2024, the global quality team focused on the following initiatives:

- Placing greater emphasis on process controls and increasing use of digital inspection reports. This resulted in a 25 percent reduction of our customer complaint metric for assembly defects across all value streams.
- Implementing control and monitoring devices across multiple product lines.
- Using a system to create and review standardized inspection plans for components.

## Improving Inspections with More Thorough Audits

In 2024, we piloted a new layered process audit (LPA) system on our Pad-Mounted Gear assembly line in Chicago. The new process, intended to enhance product safety, efficiency, and quality, incorporates inspection checkpoints at key intervals throughout assembly.

Nearly 70 team members were trained on the new process. In addition to the improvements we have identified for product quality, the assembly team has logged six months without a recordable injury since the launch of the LPAs. Shipping and sales have significantly increased, and we plan to expand use of LPAs to more stations and product lines in 2025.



Video: [New Quality Processes](#)

**All S&C manufacturing entities globally are registered and certified compliant with the ISO 9001:2015 quality management system standard.**

# Product Life Cycle

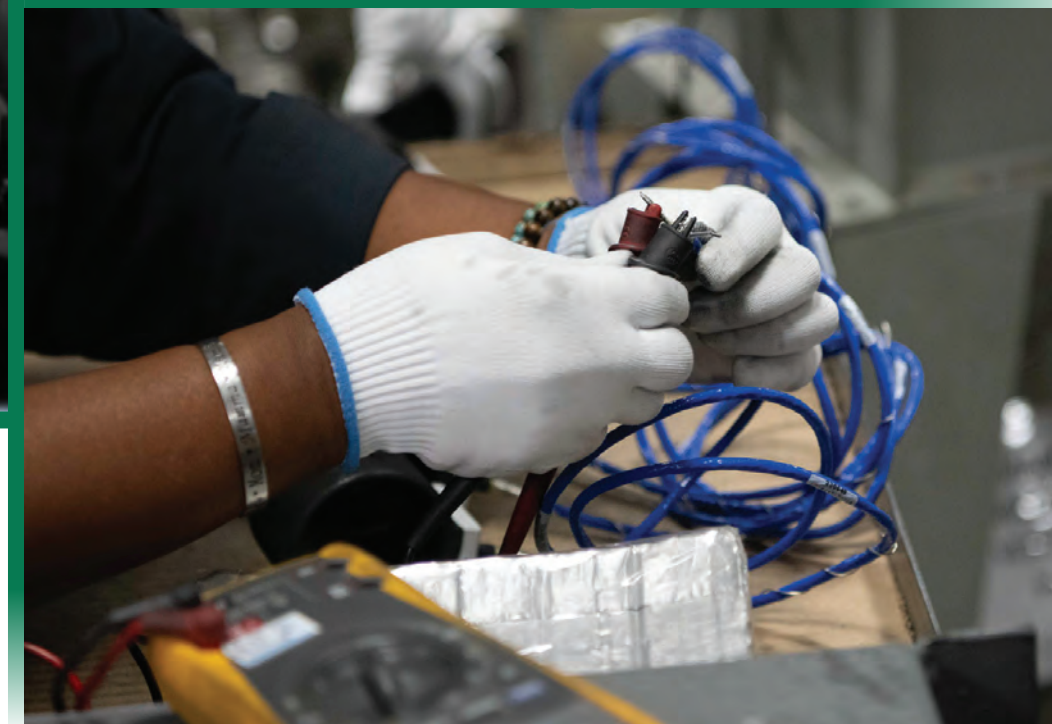
Product safety and performance are our primary objectives when designing our products' life cycles. We factor a robust set of Sustainable Product Life Cycle Considerations into our product development and production processes, including:

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

## Building Sustainability into Product Life Cycle Considerations

We have mapped out a 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. These guidelines challenge us to choose product and packaging materials that minimize our environmental impact.

We also incorporate the same equipment and processes that we use for existing products where possible. This consideration reduces the carbon footprint of our manufacturing processes.



# Customer Focus and Support

Inherent in our customer experience is dedication to support and service. When a critical situation arises, such as a severe weather event, we are qualified and available to assess their needs and expedite parts to assist in restoration efforts. Together with our customers, we enable resilient and reliable power worldwide.

In 2024, S&C expedited tens of thousands of fuse products to help with recovery efforts from the damaging effects of Hurricane Milton. S&C field service teams also arrived in Florida within three days of the storm's landfall. The teams worked with our customer to assess equipment and return it to service.

## Power Systems Solutions Team

Our power systems solutions (PSS) team offers customers 24/7 life cycle support personalized to their needs through phone support, training, monitoring, and educational opportunities. This support can include 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 lifespan of our products, enable end-of-life circularity, and have a direct impact on environmental sustainability. In addition, the team's 24/7 support and availability ensure that customers have access and will receive a response during emergency situations.

S&C's smart grid technology products helped one utility customer avoid approximately

**824,000 outages**

during Hurricanes Debby, Helene, and Milton in 2024.



# GRI Index

This Global Reporting Initiative (GRI) Index is intended to help S&C Electric Company's valued stakeholders locate our disclosures in our 2024 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).



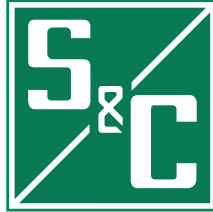
GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 2: General Disclosures 2021</b>		
2-1	Organizational details	About S&C Electric Company, <a href="#">p. 3</a>
2-2	Entities included in the organization’s sustainability reporting	About S&C Electric Company, <a href="#">p. 3</a>
2-3	Reporting period, frequency and contact point	This sustainability report was published in mid-2025 and is reflective of the 2024 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 2024 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 2024 Scopes 1 and 2 GHG emissions. The Statement of Verification is posted on our <a href="#">website</a> .
2-6	Activities, value chain and other business relationships	About S&C Electric Company, <a href="#">p. 3</a> Supply Chain Management, <a href="#">p. 33</a>
2-7	Employees	About S&C Electric Company, <a href="#">p. 3</a>
2-9	Governance structure and composition	Corporate Governance, <a href="#">p. 7</a>
2-10	Nomination and selection of the highest governance body	Corporate Governance, <a href="#">p. 7</a> Our Approach to Sustainability, <a href="#">p. 4</a>
2-11	Chair of the highest governance body	Corporate Governance, <a href="#">p. 7</a>
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance, <a href="#">p. 7</a>
2-13	Delegation of responsibility for managing impacts	Corporate Governance, <a href="#">pp. 7-8</a> Our Approach to Sustainability, <a href="#">p. 4</a>
2-14	Role of the highest governance body in sustainability reporting	Our Approach to Sustainability, <a href="#">p. 4</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>
2-17	Collective knowledge of the highest governance body	Corporate Governance, <a href="#">pp. 7-8</a>
2-18	Evaluation of the performance of the highest governance body	Corporate Governance, <a href="#">p. 7</a>

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 2: General Disclosures 2021 – continued</b>		
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="#">p. 4</a>
2-23	Policy commitments	Ethics, Integrity, and Governance, <a href="#">pp. 6-9</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>
2-28	Membership associations	Talent Attraction and Retention, <a href="#">p. 11</a>
2-29	Approach to stakeholder engagement	Our Approach to Sustainability, <a href="#">p. 4</a> Supply Chain Management, <a href="#">p. 33</a>
<b>GRI 3: Material Topics 2021</b>		
3-1	Process to determine material topics	Our Approach to Sustainability, <a href="#">pp. 4-5</a>
3-2	List of material topics	Our Approach to Sustainability, <a href="#">pp. 4-5</a>
3-3	Management of material topics	Our Approach to Sustainability, <a href="#">pp. 4-5</a>
<b>GRI 301: Materials 2016</b>		
3-3	Management of material topics	Waste Management, <a href="#">pp. 29-30</a> Product Innovation and Sustainability, <a href="#">p. 35</a> Product Life Cycle, <a href="#">p. 37</a> Customer Focus and Support, <a href="#">p. 38</a>
305-1	Recycled input materials used	Waste Management, <a href="#">pp. 29-30</a>
301-2	Reclaimed products and their packaging materials	Product Innovation and Sustainability, <a href="#">p. 35</a> Product Life Cycle, <a href="#">p. 37</a>

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 302: Energy 2016</b>		
3-3	Management of material topics	Energy Efficiency, <a href="#">pp. 27-28</a>
302-1	Energy consumption within the organization	Energy Efficiency, <a href="#">pp. 27-28</a>
302-3	Energy intensity	Energy Efficiency, <a href="#">p. 28</a>
302-4	Reduction of energy consumption	Energy Efficiency, <a href="#">pp. 27-28</a>
302-5	Reductions in energy requirements of products and services	Customer-Centered Innovation, <a href="#">pp. 35-38</a>
<b>GRI 303: Water and Effluents 2018</b>		
3-3	Management of material topics	Water Conservation and Security, <a href="#">p. 32</a>
303-1	Interactions with water as a shared resource	Water Conservation and Security, <a href="#">p. 32</a>
303-5	Water consumption	Water Conservation and Security, <a href="#">p. 32</a>
<b>GRI 304: Biodiversity 2016</b>		
3-3	Management of material topics	Encouraging Sustainability Among Our Communities and Team Members, <a href="#">p. 30</a> Enhancing Green Spaces for Our Communities and Facilities, <a href="#">p. 32</a>
<b>GRI 305: Emissions 2016</b>		
3-3	Management of material topics	Emissions Reduction, <a href="#">pp. 24-26</a> Energy Efficiency, <a href="#">pp. 27-28</a> Air Quality, <a href="#">p. 31</a>
305-1	Direct (Scope 1) GHG emissions	Scope 1 Emissions, <a href="#">p. 25</a> Global Scope 1 GHG Emissions, <a href="#">p. 26</a>
305-2	Energy indirect (Scope 2) GHG emissions	Scope 2 Emissions, <a href="#">p. 25</a> Global GHG Emissions, <a href="#">p. 26</a>
305-3	Other indirect (Scope 3) GHG emissions	Scope 3 Emissions, <a href="#">p. 26</a>
305-4	GHG emissions intensity	Global GHG Emissions Intensity, <a href="#">p. 26</a>
305-5	Reduction of GHG emissions	Emissions Reduction, <a href="#">pp. 24-26</a>
305-7	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	Air Quality, <a href="#">p. 31</a>
<b>GRI 306: Waste 2020</b>		
3-3	Management of material topics	Waste Management, <a href="#">pp. 29-30</a> Product Innovation and Sustainability, <a href="#">p. 35</a> Supply Chain Management, <a href="#">p. 33</a> Product Life Cycle, <a href="#">p. 37</a>
306-1	Waste generation and significant waste-related impacts	Waste Management, <a href="#">pp. 29-30</a>
306-2	Management of significant waste-related impacts	Waste Management, <a href="#">pp. 29-30</a>
306-3	Waste generated	Waste Management, <a href="#">p. 29</a>
306-4	Waste diverted from disposal	Waste Management, <a href="#">p. 29</a>
306-5	Waste directed to disposal	Waste Management, <a href="#">p. 29</a>

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 308: Supplier Environmental Assessment 2016</b>		
3-3	Management of material topics	Scope 3 Emissions, <a href="#">p. 26</a> Supply Chain Management, <a href="#">p. 33</a> <a href="#">Supplier Code of Conduct</a>
<b>GRI 401: Employment 2016</b>		
3-3	Management of material topics	Talent Attraction and Retention, <a href="#">p. 11</a> Team Member Well-Being, <a href="#">p. 17</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. 17</a>
<b>GRI 403: Occupational Health and Safety 2018</b>		
3-3	Management of material topics	Team Member Health and Safety, <a href="#">pp. 21-23</a>
403-1	Occupational health and safety management system	Team Member Health and Safety, <a href="#">pp. 21-23</a>
403-2	Hazard identification, risk assessment, and incident investigation	Team Member Health and Safety, <a href="#">pp. 21-23</a>
403-3	Occupational health services	Team Member Health and Safety, <a href="#">pp. 21-23</a> Team Member Well-Being, <a href="#">p. 17</a>
403-4	Worker participation, consultation, and communication on occupational health and safety	Safety Action Teams Drive Shared Responsibility, <a href="#">p. 21</a>
403-5	Worker training on occupational health and safety	Team Member Health and Safety, <a href="#">pp. 21-23</a>
403-6	Promotion of worker health	Team Member Health and Safety, <a href="#">pp. 21-23</a> Team Member Well-Being, <a href="#">p. 17</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. 21-23</a>
403-8	Workers covered by an occupational health and safety management system	Team Member Health and Safety, <a href="#">pp. 21-23</a>
403-9	Work-related injuries	Safety Performance, <a href="#">p. 22</a>
<b>GRI 404: Training and Education 2016</b>		
3-3	Management of material topics	Team Member Engagement and Long-Term Career Development, <a href="#">pp. 12-13</a>
404-2	Programs for upgrading employee skills and transition assistance programs	Team Member Training and Leadership Development, <a href="#">p. 13</a> Affinity Groups Enhance the Team Member Experience, <a href="#">p. 16</a>

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 405: Diversity and Equal Opportunity 2016</b>		
3-3	Management of material topics	Respect for People, <a href="#">pp. 14-16</a>
405-1	Diversity of governance bodies and employees	Board of Directors, <a href="#">p. 7</a> 2024 Diversity at a Glance, <a href="#">p. 14</a>
<b>GRI 406: Non-discrimination 2016</b>		
3-3	Management of material topics	Respect for People, <a href="#">pp. 14-16</a> <a href="#">Required Ethical Standards, Code of Business Conduct</a> <a href="#">DE&amp;I Statement</a>
<b>GRI 413: Local Communities 2016</b>		
3-3	Management of material topics	Social Impact and Community Engagement, <a href="#">pp. 18-19</a>
413-1	Operations with local community engagement, impact assessments, and development programs	Encouraging Sustainability Among Our Communities and Team Members, <a href="#">p. 30</a> Affinity Groups Enhance the Team Member Experience, <a href="#">p. 16</a> Social Impact and Community Engagement, <a href="#">pp. 18-19</a>



TRANSFORMING FOR A

# Sustainable Energy Future

2024 SUSTAINABILITY REPORT

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



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