



# **CORPORATE RESPONSIBILITY**

**2019 REPORT**





# TABLE OF CONTENTS

<b>PRESIDENT'S MESSAGE</b>	<b>3</b>	<b>TEAM MEMBER HEALTH AND SAFETY</b>	
<b>CORPORATE RESPONSIBILITY</b>	<b>5</b>	<b>OVERVIEW</b>	<b>21</b>
DIVERSITY	7	KEY METRICS	22
AFFINITY GROUP ACTIVITIES	8	EMERGENCY NOTIFICATION SYSTEM: ALERTMEDIA	23
TEAM MEMBER DEVELOPMENT	9	VIOLENCE IN THE WORKPLACE: PREVENTION AND PREPAREDNESS	24
COMMUNITY ACTIVITIES	11		
TEAM MEMBER INITIATIVES	11		
<b>SUSTAINABILITY</b>		<b>GLOBAL INITIATIVES</b>	
SUSTAINABILITY AWARD	13	ASIA PACIFIC	27
SUSTAINABILITY SERIES	14	CANADA	29
<b>CONSERVATION TRENDS</b>		CHINA	32
WASTE DIVERTED FROM LANDFILL	15	EUROPE, THE MIDDLE EAST, AND AFRICA	33
COMPOSTING	15	MEXICO, CENTRAL AMERICA, AND CARIBBEAN	34
<b>ENVIRONMENTAL PERFORMANCE</b>		SOUTH AMERICA	37
S&C ENVIRONMENTAL POLICY	17		
EMISSIONS	19		
WATER	20		
NATURAL GAS	20		
ELECTRICITY	20		

# PRESIDENT'S MESSAGE

## S&C: CORPORATE RESPONSIBILITY GLOBAL ENGAGEMENT, WORLD-CLASS RESULTS

By Anders Sjoelin, President and CEO

Welcome to our 2019 Corporate Responsibility Report, which highlights the ways in which S&C seeks to be a “Responsible Steward” for our team members, the communities in which they live and work, and the environment we share. Our efforts around sustainability, conservation, environmental performance, health, safety, and team member engagement all reflect not just our mission, but the dedication of our team members. Without them, S&C would not be the place you will explore in these pages.

Beyond statistics, S&C made team member engagement a real focus in 2019. Our well-established affinity groups such as the Professional Women's Group and New Professionals Group continued educational and networking programs to promote equality and community. In addition, our team members founded I.D.E.A. (Inclusion, Diversity, Engagement, and Awareness) to promote and maintain a diverse and inclusive work environment. Events sponsored by these groups included Pride Month and celebrations of Diwali and International Women's Day.

As a reality check on the effectiveness of our engagement efforts, we participated, for the first time in our history, in the *Chicago Tribune's* Top Workplaces Survey, which involved a confidential third-party survey of S&C team members. It was with great pleasure we learned S&C made the top-10 list of best workplaces in the Large Employer Category for the Chicago area in our very first try!

We also made continued gains in our Sustainability efforts. 2019 was our best year ever for workplace safety, with our Total Case Incident Rate at a new record low of 1.07. Improved training and recovery operations helped reduce volatile organic compound (VOC) emissions by over 90% during the year, and for the first time we exceeded the 95% mark on landfill diversion. S&C received external affirmation for our sustainability



efforts by being honored with the 2019 Supplier Excellence Award for Environmental Sustainability from our customer Arizona Public Service.

S&C is a global company, and our efforts in team member engagement and sustainability extend to all of the local markets we serve. Our Asia Pacific team prepared a team barbecue breakfast, raising AU\$2,140 for Food for Families. Our Canada team celebrated International Day of the Girl by offering girls ages 9–11 a peek into the exciting world of STEM. Our China team recycled 70.5 tons of material, up 25% from two years earlier. Our UK team introduced Ecobricks at our Wales offices to help reduce the amount of soft plastic waste sent to landfill, and our Mexico, Central America, and Caribbean team hosted electrical engineering students from the Technological Institute of Culiacan at our facilities in Aguascalientes Mexico.

2019 was a fantastic year for many reasons. I invite you to explore this report to get a fuller picture of what makes S&C not just a Top Workplace in Chicago, but the world. I assure you that it's the people who make us special, leading our charge to tackle big goals, with tremendous heart.

A handwritten signature in black ink, appearing to read "Andrew D." with a stylized flourish at the end.



# CORPORATE RESPONSIBILITY

TOP  
WORK  
PLACES  
2019

Chicago Tribune

The *Chicago Tribune* in 2019 named S&C the No. 10 best workplace in the large employer category among businesses in the Chicago area. It was the first effort S&C had made to qualify as a top employer in the region.

In an article announcing the rankings, the newspaper specifically highlighted S&C as an employer that nurtures workforce diversity, championing values of inclusion and equality across the board.

Inclusion on the list depended on S&C team members participating in a survey during which they were asked to provide honest confidential feedback. At least 35% of team members had to respond for S&C to qualify. More than 60% of S&C Chicago team members participated in the survey.



**DIVERSITY, INCLUSIVITY, EQUALITY**

## DIVERSITY

S&C Electric Company is a diverse, equal-opportunity, majority-minority company, with 67% of the workforce at its main manufacturing facility in Chicago, and 64% across all of its locations, represented by women and persons of color.

Moreover, S&C has a multigenerational workforce, with 3% represented by Generation Z, 38% by Millennials, 28% by Generation X, and 31% by Baby Boomers.

The average length of employment among full-time S&C team members is 11.6 years. The average time of employment for exempt annual team members is 12.4 years, while for non-exempt monthly and hourly team members the average is 14.6 years and 10.4 years respectively.

## DIVERSITY AND INCLUSION STEERING COMMITTEE

Four action teams in 2019 worked under the leadership of S&C's Diversity and Inclusion Steering Committee to examine the company's recruitment, engagement, and inclusion practices and to gain insights into the challenges unique to the company's non-exempt and exempt team member populations. At the same time, the teams drove policy changes to make the workplace more inviting, such as relaxing the dress code and encouraging greater flexibility in work hours. Based on the work of the four teams, the committee developed several strategies and programs for 2020 implementation to achieve targeted outcomes and to expand career growth and diversity at all levels.

## A NEW IDEA

Formed late in 2018, S&C's grassroots Inclusion, Diversity, Engagement, and Awareness (IDEA) group in 2019 began executing its mission to promote and maintain a diverse and inclusive work environment, encouraging advancement regardless of race, color, creed, religion, gender, age, sexual orientation, gender identity, national origin, disability, veteran status, or marital status.

To bring more awareness to its launch, the IDEA group sponsored a car show in October that gave Chicago-based S&C team members the chance to display their prized hobbies. Later that month, IDEA took a page from S&C's Alameda, California, office, which has hosted annual Diwali celebrations for several years, and sponsored Chicago's first celebration of Diwali, the Hindu festival of lights.





## AFFINITY GROUP ACTIVITIES

In addition to the IDEA group's activities, the company's various other affinity groups around the world similarly worked throughout 2019 to build connection, engagement, and support.

### INTERNATIONAL WOMEN'S DAY

On March 8, affinity groups at all S&C locations globally joined to sponsor a coordinated event for International Women's Day, celebrating the achievements of women while calling for accelerated gender parity. The day has long been celebrated by various S&C teams, but 2019 marked S&C's first globally coordinated event.

In determining how to celebrate the occasion, S&C's Professional Women's Group decided on some common ties to the 2019 #BalanceforBetter campaign, which calls for making a better world by forging a better gender balance.

Specific details were left to each S&C regional location. For example, the S&C Canada office showed its support for International Women's Day by wearing purple. Each team member who took part had their name entered in a drawing to win a \$25 gift card. In Mexico, the event was commemorated with a small gathering among coworkers, and the 17 women who work at S&C Mexico received a small gift. In Chicago, about 150 team members participated in an event to commemorate the day.



### PRIDE MONTH

All the affinity groups collaborated again in June to provide a global celebration of lesbian, gay, bisexual, transgender, and queer (LGBTQ) Pride Month. In Chicago, the New Professionals Group spearheaded an internal gathering during which team members mingled, enjoyed refreshments, took photos, and collected rainbow buttons, lanyards, and stickers to show their support throughout June and beyond. In Canada, The Future Grid Group, S&C Canada's new professionals' group, spearheaded events at the S&C business office in Toronto, including a bake sale whose proceeds went to the LGBT Youth Line, a Canadian charity that offers free support and resources to LGBTQ youth. S&C Canada also matched the \$320 raised, for a total of \$640.

### OTHER EVENTS

Other activities led by the affinity groups in 2019 included a blood drive, a coat drive for students at a local elementary school, a collection of toiletries and gift cards for a Chicago organization helping victims of domestic abuse, and an event called "Envision Your Development," where participants used visual images to build storyboards describing their personal and professional goals.



## TEAM MEMBER DEVELOPMENT

### TRAINING AND RECRUITMENT

Opportunities for Hourly team members to build meaningful careers at S&C continue to play a key role in retention of talent. In October 2017, S&C launched a “Work Elements” program to expand opportunities for Hourly team members to train and certify in progressive job-related elements and grow their skills, careers, and earnings potential. 2019 saw the highest number of certifications yet, 558. Because so many team members were able to acquire new skills, S&C exceeded its 2019 goal by filling 81% of the Intermediate, Advanced, and Complex positions internally via promotion.

Skilled S&C team members serving as Volunteer Instructors teach their colleagues blueprint reading, math, dimensional metrology, and geometric dimensioning and tolerancing in convenient, on-site classroom settings. In 2019, S&C team members successfully completed 96 classes with passing grades. In addition, S&C continued to partner with the Jane Addams Resource Corporation to offer team members opportunities to learn CNC Milling, Press Brake Programming, Press Brake Set-Up and Operation, and Welding.

Leaders play a special role in achieving the company’s mission, vision, and values, and S&C places high importance on leadership training. In the past two years, all of S&C’s leadership team members participated in the Leadership Experience training program and most have completed the first two phases of that training. In 2019, 20 leaders completed all three phases.

Because sustainability requires a full pipeline

of future leaders, the company also launched its Lean Leadership Academy in 2019. The academy provides production team members an opportunity to get the training required for promotion to leadership roles.

### PRODUCTION JOB FAIR

In July, S&C Chicago held a Production Job Fair with the goal of filling approximately 80 Hourly Pay Group positions. The job fair specifically focused on having S&C team members recommend the company to friends, family members, neighbors, and others in their lives. Some 210 people participated, and 98 applied for at least one position.

### KIDS’ DAY

Team member development can’t start too early. In April, S&C Chicago hosted 65 children for “Take Our Daughters and Sons to Work Day,” or as S&C team members like to call it, “Kids’ Day.” Designed to provide educational benefits in a fun learning environment, the biennial event included a breakfast and such activities as a marshmallow structure building challenge; construction of a cyber robot; computer coding; various games, such as “Human Bingo” and “Guess the Count;” and a sustainability competition.

As has been the tradition at S&C, this was a volunteer-driven event that depended entirely on the contributions of the time and talents of S&C’s “Mad Scientists” and other team member helpers.





## COMMUNITY ACTIVITIES

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

In 2019, the S&C Electric Company Fund provided \$1.14 million in total grants to 18 area arts and culture organizations, 18 institutions that address basic human needs, seven community-development organizations, 13 education entities, and three health organizations. These funds help support such organizations and efforts as:

- ▶ BETWEEN FRIENDS
- ▶ TOYS FOR TOTS
- ▶ CHICAGO POLAR PLUNGE
- ▶ HABITAT FOR HUMANITY
- ▶ AMERICAN RED CROSS
- ▶ MISERICORDIA HEART OF MERCY
- ▶ BIG BROTHERS BIG SISTERS
- ▶ A LOCAL SCHOOL GARDEN PROJECT
- ▶ ROBOTICS TEAMS AT LOCAL HIGH SCHOOLS
- ▶ SCIENCE KITS FOR PUBLIC LIBRARIES

## TEAM MEMBER INITIATIVES

### POLAR PLUNGE FOR CHARITY

As they have done in each of the previous four years, S&C team members joined with staff from customer Commonwealth Edison Company in the Chicago Polar Plunge to raise funds and awareness for the Chicago Special Olympics. It was the second-coldest year in which S&C participated, with wind chills putting the thermometer at 5°F (-15°C)—making the 35°F (1.7°C) water feel balmy by contrast.

S&C team members and the S&C Fund helped ComEd raise more than US\$300,000 for the cause.



## A RUN, AND THEN A RIDE

In May, the S&C “Power Pack” once again competed in the annual J.P.Morgan Corporate Challenge®, joining 28,309 racers from 687 Chicago businesses. Ninety-four team members across all levels participated.

Also in May, a second S&C “Power Pack” and their family members biked down Lake Shore Drive in Chicago during Fifth Third Bank’s annual Bike the Drive. The event enables cyclists to ride without any vehicle traffic, and all proceeds benefit the Active Transportation Alliance, a non-profit aiming to make biking, walking, and public transit safer and more accessible in the Chicago area.



## HABITAT FOR HUMANITY ASSISTANCE

In May, S&C team members joined Habitat for Humanity at its West Pullman, Chicago, build site to help build homes for families in need. Volunteers from S&C dedicated their time to build interior walls, sheath knee walls, and install subfloor decking.

S&C team members in Colorado also helped with a Habitat for Humanity build in Longmont, Colorado, in October. Participants installed many necessities on the build, from siding and insulation to a washer and dryer.

## MISERICORDIA BAKE SALES

Located across the street from S&C’s corporate headquarters, Misericordia offers a community of care that maximizes potential for persons with mild to profound developmental disabilities, many of whom are also physically challenged. In addition to annual funding assistance, S&C’s support also included volunteer help from team members in the organization’s annual Valentine’s and Halloween bake sales.

## HUNGER TASK FORCE

U.S. team members from the S&C plant in Franklin, Wisconsin, and their families continued their support of the Hunger Task Force by volunteering for a food-sorting shift one Saturday in February. Together, they helped sort 19,000 pounds of donated food into categories such as breakfast, sugar, pasta, rice, soup, oil, corn, fruits, etc., and packed the sorted food into boxes. The sorted food was distributed to food pantries, soup kitchens, and homeless shelters free of charge. The event was organized by the Franklin Professionals Group at S&C.





# SUSTAINABILITY

All of S&C's global production facilities maintained certification under the latest ISO 14001 Environment Management System standard.

## SUSTAINABILITY AWARD

S&C was the recipient of the Arizona Public Service 2019 Supplier Excellence Award for Environmental Sustainability. S&C received the award as part of APS's annual Key Supplier Forum & Awards and specifically "for being a leader in environmentally sustainable practices across its business operations, which helps APS procure more environmentally friendly products."



## SUSTAINABILITY SERIES

S&C's Health, Safety & Environmental's Sustainability Series in Chicago continued with a wide variety of sustainability-themed activities, giveaways, and raffles. Events included invited speakers who addressed environmental topics at Lunch 'n' Learns, and

information tables at cafeteria and break areas where visitors could learn and ask questions about energy efficiency, water conservation, and waste/recycling. The series also included a household hazardous waste collection and volunteer projects to support the local community.

## IN 2019, THE SUSTAINABILITY SERIES HELPED:



**SAVE AN ESTIMATED 10 TREES, OR NEARLY 161 REAMS OF PAPER, THROUGH A SHREDDING EVENT WHERE TEAM MEMBERS COULD BRING IN OLD BANK STATEMENTS AND OTHER SENSITIVE DOCUMENTS TO BE SHREDDED AND RECYCLED**



**REMOVE INVASIVE PLANT SPECIES AROUND LINCOLN PARK ZOO'S BIRD SANCTUARY THROUGH A PARTNERSHIP WITH THE ZOO**



**CREATE A BETTER UNDERSTANDING OF HOW WASTE IS MANAGED THROUGH A TOUR OF A LOCAL WATER-RECLAMATION PLANT**

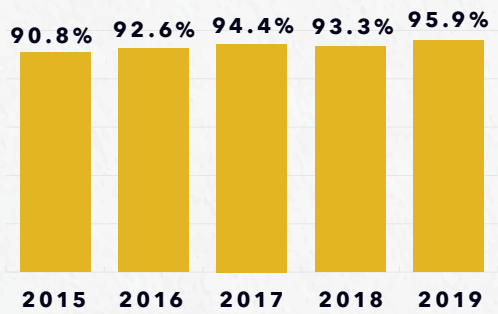


**KEEP 2,070 POUNDS WORTH OF HOUSEHOLD HAZARDOUS WASTE ITEMS OUT OF LANDFILLS AND GROUND WATER**

# CONSERVATION TRENDS

## WASTE DIVERTED FROM LANDFILL

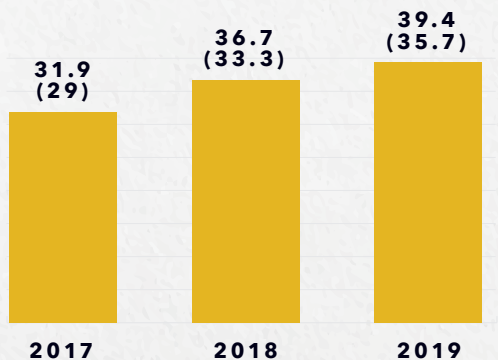
Driven by S&C's continuous improvements efforts, S&C avoided sending 30 million pounds (13,608 metric tons) of waste to landfills and sent 30% less garbage to landfills. S&C is on track to achieve 99% "Landfill Free" diversion levels by the end of 2020.



## COMPOSTING

Waste composted rose 7.5% from 2018's total.

COMPOSTING IN TONS (METRIC TONS)

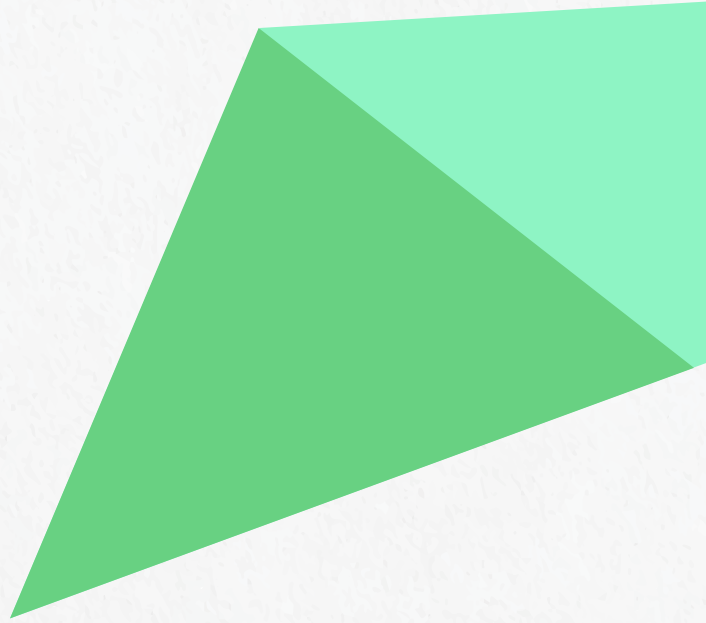








# ENVIRONMENTAL PERFORMANCE



## S&C ENVIRONMENTAL POLICY

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

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

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

- Abide by all accepted environmental practices, including meeting or exceeding applicable compliance obligations
- Minimize waste and implement prevention of pollution strategies, while striving for protection of the environment and greater use of sustainable sources of energy and materials
- Continually improve environmental performance by setting, reviewing, and achieving environmental objectives and targets as applicable new knowledge and technology become available





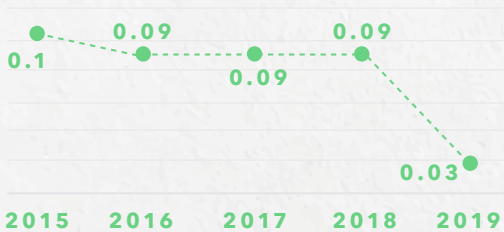
## EMISSIONS

**Powder-on powder paint system:** 2019 was S&C's first year using a powder-top coat paint application, migrating away from volatile organic material (VOM)-based liquid painting at the end of 2018. The result has been an improvement in quality and performance to our customers. As expected, electricity use increased, but emissions harmful to the environment dropped significantly.

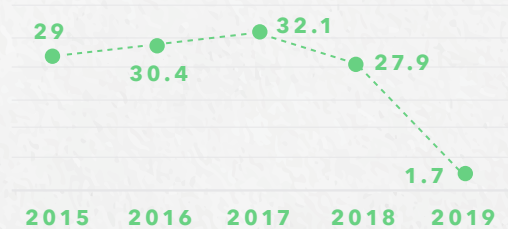
Sulfur hexafluoride (SF<sub>6</sub>) emissions dropped by 40%, or 16,000 tons, while S&C's production of volatile organic compound (VOCs) dropped by 93.9%, from 27.9 tons in 2018 to 1.7 tons), driven by improved training and recovery operations. S&C's production of Hazardous Air Pollutants (HAPs) also dropped considerably, by 61.2%, to 68.4 pounds from 176.5 pounds.



## HAP EMISSIONS



## VOC EMISSIONS



**WATER**

For 2019, total water consumption was up 1.3%, from 57.45 million gallons in 2018 to 58.19 million gallons; the usage-factor metric based on facility size and productivity was down 4.2%.

**NATURAL GAS**

Natural gas consumption was up 0.6%, from 1.61 million therms in 2018 to 1.62 million therms; the usage factor metric based on facility size, average temperature, and productivity was down 6.7%.

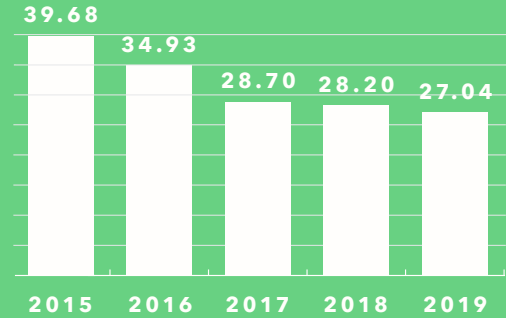
**ELECTRICITY**

Electricity consumption was up 3.0%, from 37.82 million kWh in 2018 to 38.94 million kWh; the usage-factor metric based on facility size and productivity was down 2.5%. S&C continued its energy conservation efforts, including converting 1,800 lamps to LED lighting in three factory buildings.

**Electric vehicle charging stations:** In 2019, S&C dispensed for free to its team members nearly 20 MWh over 1,900 different sessions for electric vehicle charging, furthering reduction in automotive emissions and leading to 9 tons of avoided greenhouse gas emissions in the Chicago area.

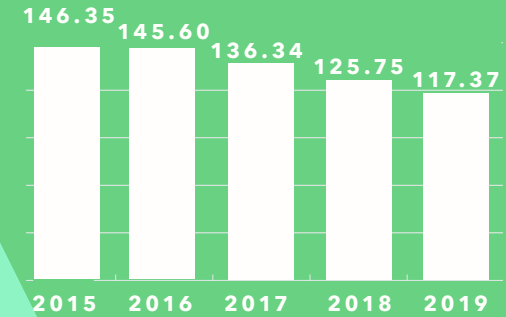
**WATER**

Gallons/ft<sup>2</sup> per hour



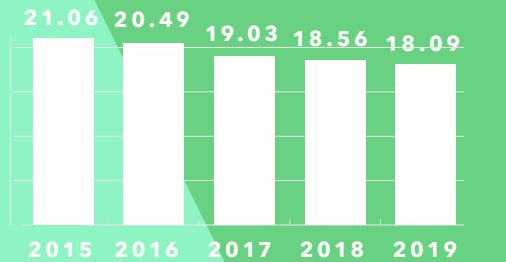
**NATURAL GAS**

Therms/ft<sup>2</sup> per hour



**ELECTRICITY**

kWh/ft<sup>2</sup> per hour





# TEAM MEMBER HEALTH & SAFETY

## OVERVIEW

2019 was one of S&C's best years ever for safety. During the year, S&C's Team Member Safety KPI Incentive initiative resulted in more than 5,000 acts completed by team members to drive safety. These acts included:

**MORE THAN 700  
OBSERVATION,  
NEAR-MISS, AND  
DAMAGE REPORTS**

**MORE THAN 4,000  
QUICK FIXES TO  
IDENTIFIED POTENTIAL  
PROBLEM**

**MORE THAN 300  
SUBMISSIONS  
TO THE SAFETY  
OPPORTUNITY  
BOARD**

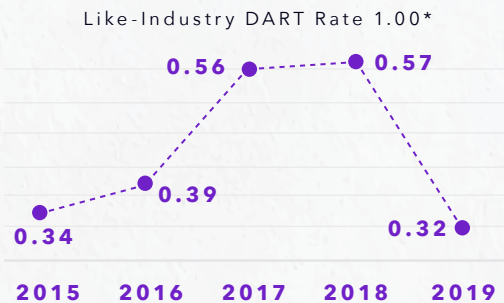
## KEY METRICS

The Days Away, Restricted, and Job Transfer (DART) and Total Case Incident Rate (TCIR) metrics both dropped significantly in 2019, driven by an emphasis on proactive audits, go-and-see observation tours by senior management, and training focused on targeting near misses/close calls. S&C Health Services started an intervention program so if someone

has a strain or sprain, either occupational or non-occupational, a Biokinetics team spends one-on-one time with the individual to address the causes.

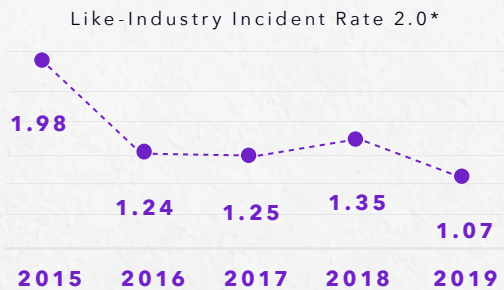
In 2019, S&C's Chicago headquarters also experienced drops in hand injuries; slips, trips, and falls; and ergonomic strains through focused efforts.

### DART



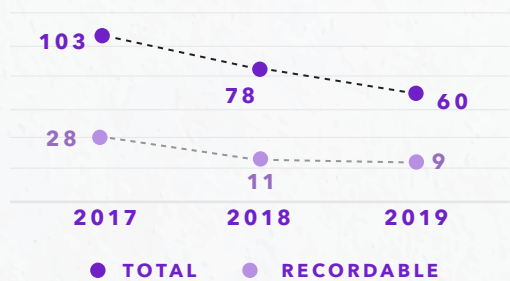
\*BUREAU OF LABOR STATISTICS, 2016

### TCIR

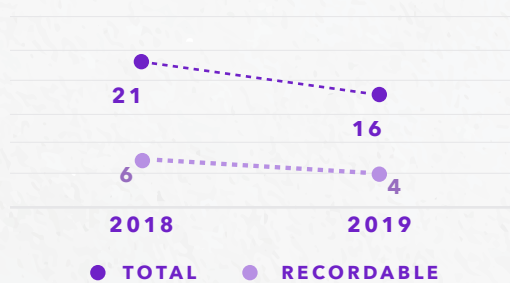


\*BUREAU OF LABOR STATISTICS, 2016

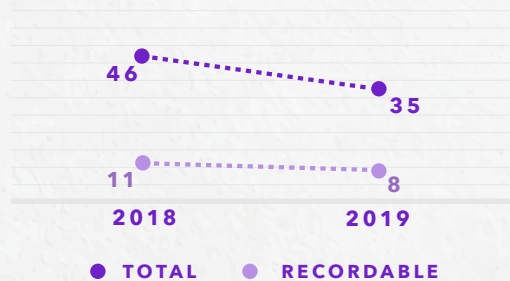
### CHICAGO HAND INCIDENTS



### CHICAGO SLIP, TRIP, FALL INCIDENTS



### CHICAGO ERGONOMIC STRAINS/SPRAINS



## EMERGENCY NOTIFICATION SYSTEM: ALERTMEDIA

S&C continued its second year of AlertMedia, a cloud-based service to communicate during emergency situations and to provide team members a fast and simple way to stay safe and connected. With AlertMedia, S&C team members now can receive S&C notifications and updates via email, text, voice call, and a mobile app. These notifications can include real-time incidents, building evacuations, weather conditions, and plant closings.

Team members can also reply to S&C with questions or information, access the S&C emergency phone number, and send messages to the Global Security group. This service helps S&C reach team members, no matter where they are, during a critical event.







## VIOLENCE IN THE WORKPLACE: PREVENTION AND PREPAREDNESS

Workplace violence has increasingly been in the news. S&C responded in 2019 with an initiative to provide team members with workplace violence-prevention and preparedness training, which included instructions on what to do in a crisis situation and what to look for in team member behavior to prevent a crisis from occurring. Post-training initiatives included active shooter drills, where team members received alerts through S&C's Alert Media and interior speaker systems. In those drills, team members were expected to use the “run, hide, fight” training they received as a response guide.

S&C also designated shelter rooms throughout the campus. Deadbolt locks and door viewers were installed on these entrance doors to provide an additional hiding option for team members. These rooms primarily entail women's and men's restrooms because they lack windows, have solid doors, and are evenly spread throughout the buildings.



# GLOBAL INITIATIVES







# ASIA PACIFIC



## COMMUNITY SUPPORT

### TE VAERUA REHABILITATION SERVICES

During the 28th annual Pacific Power Association Conference and Trade Exhibition in Rarotonga, Cook Islands, S&C Electric Company endowed AU\$10,000 to local non-government organization Te Vaerua Rehabilitation Services. The sponsorship is part of S&Cs commitment to ongoing development in the Pacific Islands. Te Vaerua has two physiotherapists, an occupational therapist, and a rehabilitation assistant working to enable people with a disability to maintain mobility and independence and to improve the quality of their lives.

### FOOD FOR FAMILIES

S&C Asia Pacific prepared a team barbecue breakfast, raising AU \$2,140, and donated four boxes filled with nonperishable goods for Food for Families. Run by community organization Uniting, the initiative relies on donations of food and other essential items to people facing crises and who are going through a difficult time during the holiday season.

### SPARK ENGINEERING CAMP

For the third consecutive year, S&C Asia Pacific took part in the Youth Without Borders' Spark Engineering Camp. Youth Without Borders is an organization developed by students at Melbourne University. The camp brought together 60 high-school-aged students from disadvantaged backgrounds from across Australia. Three S&C team members spent the day at the university providing students insights into what an engineering career has to offer.

## ENVIRONMENTAL SUPPORT

### PLASTIC-FREE JULY

In July, the S&C Asia Pacific team accepted the challenge of taking part in Plastic Free July. The global initiative encourages people to reduce plastic pollution for cleaner oceans, streets, and communities. To show its support, the team undertook group-session training on how to reduce use of single-use disposable plastic items and how to better dispose of items in the office through battery and plastics recycling.



# CANADA

## COMMUNITY

### GIRLS' EMPOWERMENT

S&C Electric Canada's sponsorship support for the Girls' Empowerment Camp enabled girls ages 10 to 13 who could otherwise not afford to participate to benefit from the camp's confidence-building activities, such as improv, dance, and public speaking. The girls also learned valuable skills, including meditation and journaling, to raise their self-awareness, self-esteem, and resilience. Several S&C team members also volunteered at the camp for two days to help with activities and to share their own inspirational stories with the girls.

Later, in October, S&C Canada celebrated International Day of the Girl by hosting an afternoon of activities for girls ages 9–11 as a local Girl Guides unit joined team members' families at S&C. S&C showed what working in science, technology, engineering, and math (STEM) fields can be like and all of the interesting things S&C does. After a full afternoon, the girls went home with items to keep their interest in STEM alive, including a book about science and inventions throughout history.





### GROUP TEAM-BUILDING AND VOLUNTEERING

In November, S&C Canada's Future Grid Group Planning Committee participated in team-building activities, including a planning meeting and volunteering at Good Shepherd Ministries, which provides hot meals, clean clothes, and safe accommodation for the homeless population in the downtown Toronto area.

### CLOTHING DONATION DRIVE

S&C team members donated new or gently used clothing and accessories for men and women who use services at the Centre for Addiction & Mental Health in Toronto.

### RIDING TO CONQUER

In June, three S&C Canada team members participated in the Enbridge Ride to Conquer Cancer to raise money for the Princess Margaret Cancer Centre by riding a bike more than 200 kilometers (124 miles) from Toronto to Niagara Falls. With short notice to meet the team's donation goal, S&C contributed half of the required funds while the team raised the rest from individuals. They ended up raising \$7,630 to contribute to the \$213.2 million dollars raised in the 12 years since the ride began.

## ENVIRONMENT

### EARTH DAY

Toronto Urban Growers visited S&C Electric Canada in April. Team members learned about urban agriculture such as community gardens, growing a vegetable garden in containers on balconies, and tips on growing food in the city.

### SUMMER BBQ

Team member waste generated at a summer company BBQ was placed in organic bins or beverage container (bottles & cans) recycling bins, and biodegradable cutlery was used instead of plastic knives, forks, and spoons.

### ENVIRONMENTALLY FRIENDLY PAINT LINE

In mid-December 2019, S&C Electric Canada's paint line was removed from production for a week to undergo several upgrades, including changing over from using trivalent chrome to an environmentally friendly non-chrome sealer.

## CONSERVATION TRENDS

IN 2019, OF ALL THE WASTE S&C CANADA GENERATED:

75%

WAS RECYCLED

2%

WENT TO TREATMENT

22%

WAS CONVERTED FROM WASTE TO ENERGY

1%

WENT TO LANDFILL

<1%

WENT TOWARD FUEL BLENDING AND INCINERATION



# CHINA

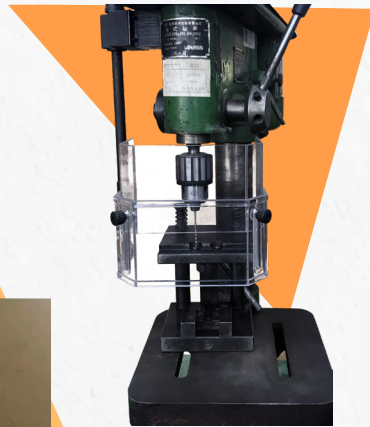
## ENVIRONMENT

During 2019, S&C China completed ISO 14001:2015 environmental management system certification. To comply with requirements of China's environmental protection bureau, the S&C business strived to reduce volatile organic compound (VOC) emissions; investigated ways to reduce and replace organic solvents; cut back on wasteful use of resources; and increased recycling of metal parts, wooden pallets, cardboard boxes, and other recyclable resources.

In 2019, S&C China recycled 70.5 tons of material, up 25% from two years earlier. S&C China continued to strengthen its management of hazardous waste. The business unit installed monitoring equipment, flammable-gas alarms, fire extinguishers, and other emergency equipment in its hazardous waste warehouse. It also put a stainless steel cabinet outside the warehouse to store fire extinguishers, flammable-gas alarms, and other hazard equipment. Hazardous waste classification training and leakage-emergency drills were conducted in September.

## SAFETY

Team member safety also was a high priority. In 2019, zero Days Away, Restricted, or Transferred (DART) injuries or recordable occupational injuries/illnesses occurred. To improve team member safety, S&C China continuously strives to reduce noise in its workplace environment. The team in China installed a sound shield to reduce the noise from two pressing machines and to keep noise levels below 85 dBA, China's maximum manufacturing industry sound level during an 8-hour workday. Additional safety precautions included continued implementation of respiratory-protection plans and fit-testing for those team members who wear respirators.





# EUROPE, THE MIDDLE EAST, AND AFRICA



## ENVIRONMENT

S&C's Europe, the Middle East, and Africa (EMEA) business maintained ISO 14001:2015 Environmental Management Standard certification. As part of the standard, the S&C business set targets to reduce its natural gas use by 2.07 tons compared to 2018 use. The unit also set out to increase the amount of waste recycled, resulting in recycling 92.86% of waste during the year.

In 2019, the S&C business introduced Ecobricks at its Baglan, Wales, offices to help reduce the amount of soft plastic waste sent to landfill. An Ecobrick is a plastic bottle packed tightly with clean, dry, non-biodegradable

waste. These bottles are used as building materials to create insulative structures and furniture. By introducing Ecobricks, along with other waste-reduction targets, the S&C business is reducing the amount of nonrecyclable waste it generates.

The S&C EMEA business is a member of the Low Carbon Swansea Bay network, which consists of public, private, and voluntary organizations in Swansea and South West Wales that work together to reduce carbon emissions and energy costs.



# MEXICO, CENTRAL AMERICA, AND CARIBBEAN

Besides maintaining ISO 14001:2015 and OHSAS 18001:2007 certifications, S&C Electric Mexicana in 2019 received recognition as a “Safe Company” by Mexico’s labor department, known as Secretaría del Trabajo y Previsión Social. This recognition identified S&C Electric Mexicana as a company that:

- ▶ PROMOTES METHODS FOR COMPLIANCE WITH REGULATIONS ON OCCUPATIONAL HEALTH AND SAFETY
- ▶ INDUCES IMPROVEMENTS IN OCCUPATIONAL SAFETY AND HEALTH MANAGEMENT WITH THE PARTICIPATION OF ITS WORKERS
- ▶ DECREASES ACCIDENTS AND ILLNESSES AT WORK
- ▶ STRENGTHENS LEADERSHIP IN THE ORGANIZATION

## HEALTH AND SAFETY

As part of an initiative to increase fuse-production capacity from 500 fuses per week to 5,000, S&C Mexicana implemented various improvements tied to safety and team member health. These improvements included placement of safety guards, improved ergonomics, and more efficient and safer processes.

## TEAM MEMBER SUPPORT

In June, S&C Mexicana team members spent the day with family and partners to recognize the important supportive role family members play. With the transfer of the SMU-20® Fuse Unit line to Mexico and the resulting need for increased production, many team members had to work overtime to meet production goals. To show appreciation for the team member commitment, S&C held a raffle for a trip to Puerto Vallarta, Mexico.





## COMMUNITY

In October, electrical engineering students from the Technological Institute of Culiacan visited S&C Mexicana's facilities in Aguascalientes. The visit enabled S&C to contribute to the training of future engineers and to show them how electrical systems are created and the capabilities of the equipment S&C manufactures.

## ENVIRONMENT

S&C globally has a goal to reduce the waste it sends to landfills and increase the amount of recycling. In 2019, despite its large production boost and a 35% workforce increase, waste S&C Mexicana sent to a landfill only increased by 17%, while scrap metal, cardboard, plastics, and wood sent for recycling increased by 92.8%.

**WASTE S&C MEXICANA SENT TO A LANDFILL ONLY INCREASED BY**

**17%**

**SCRAP METAL, CARDBOARD, PLASTICS, AND WOOD SENT FOR RECYCLING INCREASED BY**

**92.8%**

# SOUTH AMERICA

## HEALTH AND SAFETY

S&C's operations in South America kept up a focus on health, safety, and team-member integration.

### THIS INCLUDED:



**CONTINUED PARTICIPATION IN AN EARLY WARNING SAFETY PROGRAM THAT HELPS S&C PROTECT ITS TEAM MEMBERS BY PREVENTING ACCIDENTS**



**INSTALLATION OF SAFETY SIGNS**



**PARTICIPATION WITH OTHER COMPANIES IN ITS INDUSTRIAL COMPLEX IN A FIRE BRIGADE GROUP**

## COMMUNITY

S&C donated R\$211,113 (US\$51,500) directly to nongovernmental organizations in support of sports, children's activities, and local culture. Organizations receiving S&C donations included:

- Pequeno Principe (Little Prince) Hospital, which takes care of newborns and children until they are 18 years old (The hospital's focus is on complex diseases.)
- Alegro Musical Association, which educates more than 400 at-risk children in the state of Parana through classical musical education
- Compartilhar (Share) Institute, whose focus is on educating children and youths by teaching volleyball but also essential principles and values to good citizens



## S&C ELECTRIC COMPANY

Supersedes 100-G103 dated 4-22-20

**100-G706**

March 13, 2023

© S&C Electric Company 2005-2023, all rights reserved

Offices Worldwide \_\_\_\_\_ sandc.com

