

S&C Electric Company & S&C Electric Canada Ltd. Supply Chain Annual Report - Canada

This annual report (this “**Report**”) on the risk or use of any forced labour or child labour in the businesses and supply chains of S&C Electric Company (“**S&C US**”) and S&C Electric Canada Ltd. (“**S&C Canada**” and together with S&C US, “**S&C**”, “**we**” or “**our**”), the proactive measures that S&C has taken and continues to take to mitigate the risk of forced labour and child labour within our operations and supply chain, is dated as of May 31, 2026, and is being delivered in respect of S&C’s financial year ended December 31, 2025 (the “**Reporting Year**”). This Report is made pursuant to Canada’s *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the “**Act**”) and is submitted as a joint report by S&C US on behalf of S&C Canada pursuant to Section 2(b) of the Act.

S&C does not tolerate any instances of forced labour or child labour. S&C does not knowingly conduct business with any third parties who engage in forced or child labour. This Report supports S&C’s commitment to operate free from any forced or child labour in any part of our business or supply chain with a zero-tolerance policy.

Structure, Activities, and Supply Chains

S&C US

S&C US was incorporated on July 7, 1930, under the laws of Delaware and is headquartered in Chicago, Illinois. S&C US is the parent entity of various subsidiaries, including S&C Canada. S&C US is also subject to the supply chain reporting requirements under the *California Transparency in Supply Chains Act of 2010*.

S&C US designs, manufactures, sells and distributes globally (including into Canada) a wide range of equipment for electric power systems, including fusing equipment, switching equipment, switchgear, and automation products, and provides consulting, management, and analytical services regarding its products and systems as well. S&C sources the direct material from a variety of suppliers that are based, for example, in North America (Canada, USA and Mexico) and Asia (Japan, China and India). The direct material itself ranges from machined metal castings (various types of alloys), electronics, transformers and other such items.

S&C Canada

S&C Canada was incorporated on April 2, 1953, under the laws of Canada and is headquartered in Toronto. S&C Canada does not exercise direct, indirect, or common control over any entity.

S&C Canada designs, manufactures, sells and distributes a wide range of equipment for electrical power systems throughout Canada, including fusing equipment, switching equipment, switchgear, and automation products, and provides consulting, management, and analytical services regarding its products and systems as well. S&C sources the direct material from a variety of suppliers that are based, for example, in North America (Canada, USA and Mexico) and Asia (Japan, China and India). The direct material itself ranges from machined metal parts, castings (various types of alloys), electronics, transformers and other such items.

Steps Taken to Prevent and Reduce Risks of Forced Labour and Child Labour

S&C has implemented and continues to maintain a number of measures to prevent and reduce the risks of forced labour and child labour in its activities and supply chains. These measures include mapping supplier activities, conducting internal assessments of potential risks of forced labour and/or child labour in the organization's operations and supply chain, and gathering information and maintaining controls intended to ensure that all workers are recruited voluntarily. These measures are described in greater detail in this Report.

Policies and Due Diligence Processes

S&C upholds high standards of business ethics and integrity, as reflected in its Required Ethical Standards – Business Code of Conduct and its Guiding Principles located at: <https://www.sandc.com/en/company/mission-vision-values--guiding-principles/>.

S&C expects its suppliers (“**Suppliers**”) to uphold similar standards of ethical conduct and responsible work practices. Suppliers are selected based on factors such as integrity, reliability, safety, quality, and overall performance, with the goal of fostering mutually beneficial business relationships. Suppliers are expected to adhere to the standards outlined in S&C's Supplier Code of Conduct, which explicitly prohibits the use of forced labour and child labour. S&C's Supplier Code of Conduct can be found at: <http://www.sandc.com/PDFS/Supplier-Code-of-Conduct.pdf>.

With respect to forced labour and child labour, S&C maintains the following practices:

1. **Supplier Code of Conduct**: S&C requires its Suppliers to comply with the principles outlined in S&C's Supplier Code of Conduct, which expressly prohibits the use of forced labour and child labour and sets expectations regarding lawful and ethical labour practices.
2. **Supplier Agreements**: S&C's standard supplier agreements, where used, require Suppliers to adhere to S&C's Supplier Code of Conduct, which prohibits involuntary or child labour. These agreements also require Suppliers to comply with all applicable laws and regulations, including those addressing slavery, human trafficking, and other exploitative labour practices.
3. **Supplier Evaluations and Audits**: S&C personnel periodically conduct evaluations at Tier 1 Suppliers locations. Tier 1 Suppliers are defined as suppliers from whom S&C purchases finished products directly; those suppliers may in turn procure raw materials from Tier 2 suppliers. In addition to reviewing commercial, quality, safety, and manufacturing processes, these evaluations include an assessment of supplier practices related to the recruitment, compensation, and retention of workers. Because many suppliers rely on specialized workforces, maintaining stable and appropriately compensated employees is an important factor in overall supplier performance.
4. **Internal Accountability**: S&C prohibits any form of forced labour or child labour. Team members are expected to conduct themselves in accordance with applicable laws, regulations, and internal company policies. S&C maintains a comprehensive compliance program that encourages team members to report suspected violations through leadership channels or other available reporting mechanisms. S&C's Ethics Helpline provides a secure and anonymous means of reporting suspected compliance violations or unethical business practices. Reports relating to potential noncompliance of S&C's Business Code

of Conduct or S&C's Supplier Code of Conduct are reviewed and investigated in accordance with S&C's established investigation processes. Team members who violate S&C's Business Code of Conduct may be subject to disciplinary action, up to and including termination of employment. In addition, where violations related to forced labour or child labour are identified, S&C reserves the right to terminate supplier relationships in accordance with applicable contractual terms.

5. Certification and Verification: S&C values its relationships with its Suppliers and expects them to comply with the standards set forth in S&C's Supplier Code of Conduct. As part of S&C's standard business practices, Suppliers are expected to comply with all applicable laws, including those addressing human trafficking, forced labour, and other exploitative labour practices.

Risk of Forced Labour and Child Labour in Operations and/or Supply Chains

S&C prohibits forced labour and child labour within its operations and supply chain. S&C remains committed to safeguarding the health and security of our team members. All team members are above the legal employment age in the country of their employment. They are recruited and provided with working conditions, wages, and benefits that comply with applicable laws and regulations.

S&C maintains internal controls and continues to monitor worker recruitment practices to help ensure that all team members are recruited voluntarily and in compliance with applicable legislative and legal standards.

Supplier operations may present separate risks of forced labour or child labour, particularly where lower-skilled and physical labour is involved in regions with a higher prevalence of modern slavery risk. S&C recognizes the importance of identifying and monitoring potential risks within its supply chain and remains committed to safeguarding the health and security of the public, responsibly managing its social impacts, and upholding respect for human rights throughout its operations.

S&C carried out a global audit of 29 supplier evaluations in 2025 to evaluate any risks of forced and child labor within its supply chains. These evaluations include reviewing supplier practices related to worker recruitment and compensation to help ensure that workers are paid fair wages and that labour practices align with S&C's expectations.

Rectification of Forced Labour and Child Labour in Operations and/or Supply Chains

During the Reporting Year, S&C did not identify any instances of forced labour or child labour within its operations or supply chains. Accordingly, S&C did not need to implement measures to rectify any such instances during the Reporting Year.

Remediation of Loss of Income in Most Vulnerable Families

Because S&C did not identify any instances of forced labour or child labour within its operations or supply chains during the Reporting Year, no measures were required to remediate loss of income for vulnerable families resulting from the rectification of such practices.

Training on Forced Labour and Child Labour

All S&C team members are required to complete annual Code of Conduct training. This training reinforces S&C's commitment to ethical business practices and outlines team members' legal and ethical responsibilities to the organization and to one another.

Team members involved in supply chain management receive additional guidance and training related to S&C's supply chain management processes and expectations. Global Sourcing personnel are also trained in conducting supplier audits, including reviewing working conditions and assessing supplier compliance with S&C's Supplier Code of Conduct.

Assessing Effectiveness of Forced Labour and Child Labour Prevention Mechanisms

During the Reporting Year, S&C continued to monitor and evaluate its existing policies, procedures, and supplier oversight practices designed to help prevent forced labour and child labour within its operations and supply chains. While S&C did not implement any new policies or procedures during the Reporting Year, it continued to apply and assess the effectiveness of its existing controls and processes.

ATTESTATION

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the Report for S&C Electric Company and S&C Electric Canada Ltd. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the Report is true, accurate and complete in all material respects for the purposes of the Act, for the Reporting Year.



Anders Sjoelin
Director, S&C Electric Company
I have the authority to bind the Corporation

Approved by the Board of Directors of S&C Electric Company.