



May 21, 2015

S&C Electric Company's Disclosure regarding the California Transparency in Supply Chains Act (SB 657)

As expressed in S&C Electric Company's (S&C) Guiding Principles, suppliers are selected for the long term based on their integrity, dependability, safety, quality, as well as overall performance, all in an effort to form a mutually beneficial relationship.

With respect to forced labor and human trafficking, S&C does the following:

1. Supplier Code of Conduct: S&C's Supplier Code of conduct expressly prohibits both forced and child labor and has been reviewed with suppliers globally. S&C's code of conduct can be found at: <http://www.sandc.com/PDFS/Supplier-Code-of-Conduct.pdf>
2. Supplier Agreements: S&C's standard supplier agreements require suppliers to abide by S&C's Supplier Code of Conduct, which prohibits any involuntary or child labor. S&C supplier agreements also state that suppliers are required to comply with all applicable laws which include but are not limited to, slavery, human trafficking, and other exploitative labor practices.
3. Supplier Evaluations and Audits: S&C staff regularly performs evaluations at its Tier 1 suppliers' site. In addition to commercial, quality, safety, and manufacturing processes, S&C's evaluation covers a section on how the company recruits, pays, and retains their staff. Many S&C suppliers contain processes that require a specialized work force and so a stable work force is important to maintain overall supplier performance.
4. Employee Accountability: S&C holds both team members and suppliers accountable to inform S&C leadership in the event that a supplier is not following the S&C Supplier Code of Conduct. S&C has a worldwide anonymous reporting system to allow either a supplier or employee team member to report any suspected misconduct.
5. Training: S&C does not do training that is specifically on forced labor or human trafficking. However, S&C trains its Global Sourcing staff to perform on-site supplier evaluations and look for unsafe conditions on site at our suppliers.
6. Certification and Verification: S&C does not have any certification or verification programs for forced labor, human trafficking or child labor. S&C emphasizes that all suppliers and employees should follow all legal requirements at all times.