

Fighting Against Forced Labour and Child Labour in Supply Chains:

2023 Report

May, 2024

G&W Electric
305 W. Crossroads Pkwy
Bolingbrook, Illinois
60440-4938 USA

G&W Canada Corporation
7965 Heritage Road
Brampton, Ontario
L6Y 5X5 Canada

T: 708.388.5010 F: 708.388.0755 T: 905.542.2000 F: 905.455.3336
gwelectric.com gwelectric.com

Scope of Report

This report applies to the wholly owned entity of G&W Electric and entities over which G&W Electric has control, including the reporting entities of G&W Canada Corporation.

Representatives from each entity covered by this report were consulted in developing the report, in order to ensure consistency in our policies and standards, due diligence programs, and approach to mitigating forced labour and child labour risks in our operations and supply chain.

This report is issued in compliance with the Fighting Against Forced Labour and Child Labour in Supply Chains Act and serves as our disclosure for the fiscal year ending 2023. The report outlines the steps we have taken to prevent, identify, and address forced labour and child labour risks across our business and supply chain.

Organizational Structure

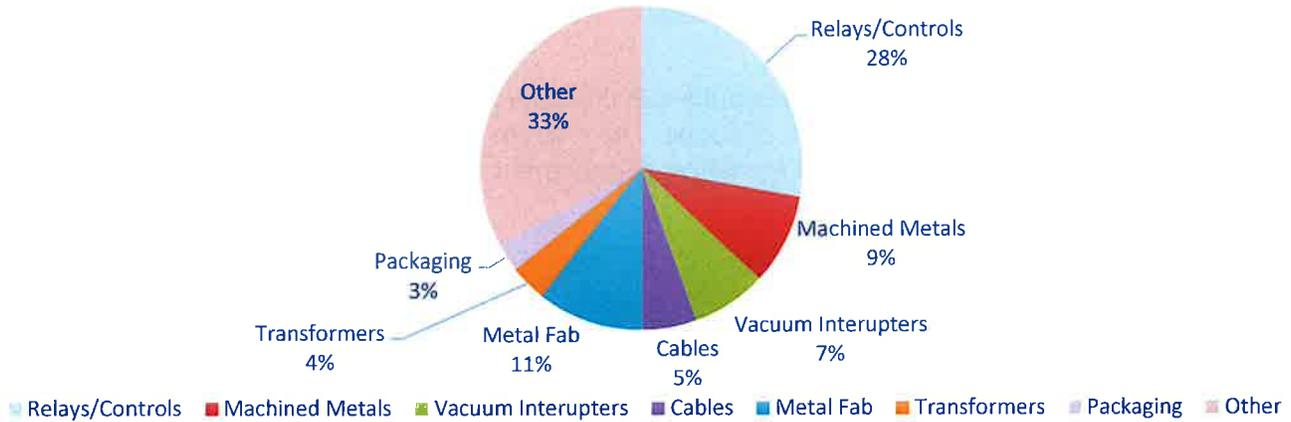
Since 1905, G&W Electric has helped power the world with innovative power systems solutions and products. With the introduction of the first disconnectable cable terminating device in the early 1900s, G&W began to build a reputation for engineering creative solutions to meet the needs of systems designers. Solutions which today have extended to include the latest in solid dielectric and SF6 insulated switchgear, solid dielectric insulated reclosers, system protection equipment, distribution automation solutions, and distribution and transmission cable accessories. Today G&W Electric combines extensive research and development with ISO 9001 certified quality systems and ISO 14001 environmental systems in both its manufacturing and design process.

G&W Electric headquarter operations is located in Bolingbrook, Illinois, USA. The G&W Canada Corporation operation is located in Brampton, Ontario, CA. G&W Canada Corporation designs, manufactures and sells its products both domestically within the Canadian market and internationally. G&W Electric employed a total of 1246 employees between the two entities, including 201 employees at G&W Canada Corporation as of December, 2023. In addition, G&W Electric has manufacturing facilities located in Mexico, China and Italy. We cover the globe with product installations and sales representation in over 100 countries and all seven continents.

Supply Chain

G&W Electric purchases products such as raw materials, assemblies, components, contract manufactured goods and packaging from both domestic and international suppliers. We work with more than 300 direct suppliers in over 12 countries, encompassing suppliers of all sizes, from SMEs through to global multinationals. Our supply chain includes raw material suppliers, component/assembly manufacturers, as well as service and logistics providers. Our largest procurement categories in fiscal year 2023 were relays/controls, machined metals, vacuum interrupters, cable assemblies, metal fabricated components and transformers. Our primary countries of supply were the United States of America, Canada, Taiwan, China, India and Mexico.

2023 Spend by Category



Policies and Due Diligence Processes

G&W Electric is dedicated to upholding the highest standards of ethical conduct and social responsibility. We recognize the severe impact of forced labour and child labour on individuals and communities and are committed to actively combating violations of human rights. G&W Electric has adopted a series of core policies that communicate our commitment to respecting and promoting the highest standards of ethics and integrity in all its dealings with our employees, customers, suppliers, and partners. All G&W Electric employees are required to comply with our Employee Code of Conduct, Employee Standards, and Anti-Corruption/bribery policies. Human rights and child labour statements are outlined within the G&W Electric Handbook. The policies and Code of Conduct set clear expectations, define desired behavior for our employees and help us monitor compliance with our standards.

All suppliers, vendors, contractors, consultants, agents and other providers of goods and services with whom we do business are required to comply with the expectations outlined within the G&W Electric Global Supplier Manual. The Global Supplier Manual outlines the expectations we have of our suppliers related to health and safety, ethics, environmental impact and anti-bribery and anti-corruption. Compliance with the expectations is a condition of our supplier contracts, and suppliers are expected to agree to abide by its contents and to communicate the expectations and all other relevant policies to their own suppliers.

G&W Electric has partnered with Assent Inc., a leading industry expert in responsible sourcing and conflict minerals compliance. Assent Inc. assisted us in developing and implementing our conflict minerals program, including conducting due diligence screening on our suppliers and ensuring they comply with relevant regulations. We recognize the importance of avoiding the use of conflict minerals that contribute to violence and human rights violations in the Democratic Republic of the Congo (DRC) and adjoining countries.

Under the EU regulation, conflict minerals are ores and concentrates containing tin, tungsten, tantalum and/or gold (3TGs) sourced from high-demand countries where sales are believed to contribute to armed violence, instability, insecurity and human rights violations in the regions. The primary objective is to ensure G&W Electric sourced minerals originate from conflict-free sources and do not contribute to violence or human rights violations.

Within the reporting year 2023, there were 205 suppliers in the G&W Electric scope for conflict minerals review/screening, 27 suppliers considered out of scope. The response rate sits at around 68%, based on responses from 140 suppliers. This suggests a positive engagement from a substantial portion of the supply chain.

Internal Responsibility

Our Executive Management team plays an essential role in guiding our approach to sustainability, including on issues related to the prevention of forced labour and child labour. We have established a cross-functional team, which is responsible for implementing our human rights commitments, including in relation to child labour and forced labour. This team is led by the Director of Strategic Sourcing and Supply Chain Manager, who has day-to-day responsibility for supply chain sustainability, responsible sourcing and human rights. This team ensures G&W Electric's expectations are communicated to employees and suppliers. It is also responsible for ensuring that relevant staff who select and interact with suppliers, including procurement, sourcing, supplier quality engineering, and contract managers receive training on how to identify, prevent and address risks of forced labour and child labour in the supply chain. The team briefs senior management about the results of all due diligence efforts.

Supplier Vetting

Prior to on-boarding, G&W Electric will vet new suppliers' conformance to our requirements on forced labour and child labour. Suppliers in higher-risk countries or categories are subjected to greater scrutiny.

Forced Labour and Child Labour Risks

We recognize that in certain countries and certain industries, there is a greater risk of forced labour and child labour. The primary areas of our business and supply chains that carry a risk of forced or child labour include raw material sourcing and component manufacturing. As a leading manufacturer of power systems solutions and products, with operations in several countries, we recognize that we are exposed to the risk of forced labour in the mining and manufacturing sectors through our sourcing raw metals, metal fabrications and contract manufactured goods. In line with our risk-based approach, we will place a particular emphasis on our suppliers in these industries, and they form the core of our upcoming supplier risk assessment and subsequent actions.

Risk Assessment

The risk of forced labour and child labour in supply chains is dynamic, complex, and often hidden. In order to surface this risk, G&W Electric has prioritized efforts that give us visibility into our supply chain, so that we can identify susceptibilities and work with our business partners to address those risks. To safeguard the objectivity, accuracy, and strength of our efforts to prevent forced labour and child labour, we will be partnering with Assent

Inc, a third-party service provider, to assist us in reviewing our supply chain and identifying risks of forced labour and child labour. Working with Assent Inc., we will be conducting a risk evaluation to gauge suppliers' susceptibility to child labour and forced labour within their operations and supply chains. This effort will adopt a risk-based strategy that prioritizes the parts of our supply chain that pose elevated risks for links to, or involvement in, forced labour and child labour. Our risk assessment will consist of two key components, namely:

1. Direct Engagement with Suppliers

Leveraging the industry-standard Slavery and Trafficking Risk Assessment Tool (STRT), we will engage over 250 suppliers during the reporting year 2024. These suppliers will be prioritized for engagement on the basis of the risk associated with their sourcing countries and the industries they operate in.

We will collect information from suppliers on their operational environments, policies, procedures, and practices, as well as the measures they have in place to detect, prevent, and address the risk of forced labour and child labour. Information on the types of materials and goods produced, the geographic location of production and/or sourcing, as well as labour practices will be collected. The information will give us insight into risk factors such as the use of migrant or underaged workers, use of recruitment agencies, payment of recruitment fees and withholding of workers' documents, all of which are indicators of forced labour and child labour. Additional information on supplier worker verification processes, forced labour and child labour risk control mechanisms, and due diligence processes for managing such risks in their operations and supply chains will also be collected.

The STRT will facilitate the evaluation of suppliers' policies addressing forced labour and child labour, as well as identifying protective measures supporting their workforce. Additional inquiries within the STRT will help assess each supplier's level of due diligence in managing these risks, addressing issues, or taking corrective actions. Once the collection of information is completed, our third-party service provider will evaluate the quality of each supplier's response and assign a risk score based on the supplier's inherent risk for forced labour and child labour, as well as their risk control practices. This will enable us to "segment" suppliers as high, medium or low risk based on associated risks, and to take appropriate responses for each category of risk.

2. Ongoing Indirect Monitoring of Suppliers

In addition to the direct engagement with our suppliers to assess risk, beginning in 2024, we will regularly review a wide variety of publicly available information, ranging from social media posts to NGO and academic reports, government sanctions lists, denied parties lists, adverse media and other reports that could give us daily, ongoing insight into our supply chain that will support us in making informed decisions about working with certain suppliers or other third parties.

Corrective Actions

During the reporting year, we did not identify any actual cases of forced or child labour in our direct supply chain, and therefore we did not take any corrective actions.

Remediation Efforts

We recognize that our policies and programs may not prevent all adverse impacts in our supply chain. Our aim is to provide effective remedy where we have caused or contributed to those impacts and to use our leverage to encourage our suppliers or partners to provide remedy where we find impacts directly linked to our business operations, goods, or services. To facilitate this process, we have established several mechanisms that allow our employees, stakeholders, and other potentially affected individuals to raise grievances and seek remedy.

In the event of any forced or child labour findings, we take immediate action to remediate the situation. This includes working with the supplier to address the issue, providing support for affected individuals, and, if necessary, terminating the relationship with the supplier.

During the reporting year, we did not identify any actual cases of forced labour or child labour in our direct supply chain.

Measures to Remediate Loss of Income

During the reporting year, we did not identify any actual cases of child labour in our direct supply chain, and therefore we did not take any steps that led to loss of income to vulnerable families.

Training and Capacity Building

G&W Electric had no formal training in reporting year 2023 directly related to the prevention, detection and risk assessment measures of forced and child labour. We recognize our responsibility to raise awareness of the issue of forced labour and child labour both internally and externally. With this, G&W Electric is committed to developing specific training to be rolled out in 2024. The comprehensive training program will be delivered by Q4 2024 to its management team at all levels, all employees who have direct responsibility for supply chain management and supplier quality management, along with employees responsible for employee recruitment. The training will be incorporated into the onboarding training for new employees in the above-named functional areas.

Training will be conducted with our suppliers in 2024. To accomplish this, we will leverage training courses and learning paths from our third-party partner Assent Inc. These training courses will provide our suppliers with targeted guidance on how to identify, prevent, and respond to potential forced labour and child labour.

In addition, all employees received training in reporting year 2023 on our Code of Conduct, Ethics Policy, and Anti-corruption and bribery. The G&W Employee Handbook is updated annually.

Assessing Effectiveness

We are working to understand the effectiveness and impact of the initiatives detailed in this report. Currently, we track performance through a combination of internal and external mechanisms, and we use these mechanisms to assess the performance of each activity undertaken. We assess our effectiveness in ensuring that forced and child labour are not used in our operations and supply chains through regular review and audits of our policies

and procedures, feedback from our employees and suppliers, tracking of relevant performance indicators associated with our grievance mechanisms, contractual terms and supplier assessment programs such as conflict minerals screening that was implemented in 2020, as well as the forced and child labour screening that is targeted for implementation as noted above by end of Q4 2024.

Approval and Attestation

This report has been reviewed and approved by G&W Electric's Board of Directors on behalf of G&W Electric and each of the reporting entities and signed by G&W Electric's Chief Operating Officer and President, G&W Canada Corporation.

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 the entity or entities listed above. 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 listed above.

I have the authority to bind G&W Electric Company

Signed,


Dave Gizewicz
Chief Operating Officer
G&W Electric
May 24th, 2024


Dan Dykas
President
G&W Canada Corporation