



hammond
POWER SOLUTIONS



ESG Report 2024

Initiating Progress: Building a Sustainable Future

hammond
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Message from our CEO

I am excited to share that we have recently updated our Mission, Vision, and Values. These updates reflect our enduring culture and commitment to environmental, social, and governance (ESG) actions and ambitions. Our values remain the foundation of our ESG approach, guiding us in everything we do.

Our Four Core Values

We Care: We prioritize safety, wellbeing, and sustainability. Our dedication to employee wellbeing, customer success, community support, and the planet is evident in our achievements:

- **Health, Safety & Wellbeing:** We had 7 facilities that had 0 lost time injuries in 2024. With nearly a 19% increase in hours worked, .000825% was attributed to lost time injuries or medical aids.
- **Great Place to Work:** Certified for 3 out of 4 countries we operate in.
- **Community Contributions:** Donations increased by 208% and volunteerism by 65%.
- **Resource Management:** Despite increased operations, 72% of our waste was diverted from landfills, up from 71% in 2023. We met our carbon targets and improved intensity.

We Do the Right Thing: Integrity, fairness, and respect are at the heart of our operations. We achieved an overall score of 80 in the justice section of our Great Place to Work certification, reflecting our commitment to ethical practices.

We Strive to Do Better: Driven by curiosity, innovation, and excellence, we continually seek better solutions for our customers. Despite an increase in emissions due to new Scope 3 categories, we have made significant strides in understanding and managing our impact.

We Win Together: Collaboration and teamwork lead to outstanding success. We partner with our customers and communities to achieve remarkable results.

Our Vision and Mission: Our new Vision and Mission statements reinforce our sustainability goals. By simplifying electrification and shaping power solutions with our customers, we help reduce environmental impact. Our bold vision to be a transformative force that electrifies the world supports the energy transition and sparks positive change. We leverage our business growth to develop our teams and communities, aspiring to be a role model for others.

Thank you to our tremendous team of engaged employees who tirelessly energize our world.



ADRIAN THOMAS
CHIEF EXECUTIVE OFFICER



HPS

GLOBAL STRATEGY

Our **VISION**

To be a transformative force that electrifies the world.

Our **MISSION**

We simplify electrification by shaping power solutions with our customers.

Our **STRATEGIC INITIATIVES**

- 1 Customers and Markets** Drive organic growth through competitive product offering and unparalleled customer experience and enhance strategic growth via acquisitions.
- 2 Operational and Financial Excellence** Achieve operational excellence through continuous improvement and efficiency plays, and grow revenue / EBITDA with opportunistic acquisitions and cost reduction initiatives.
- 3 People and Culture** Build the next leadership team, and be a preferred employer due to our clarity of purpose and employee value proposition.
- 4 Sustainability** Design energy-efficient products; shrink the ecological footprint of our operations and energize the world responsibly for generations to come.



Sustainability is our Passion.

We commit to designing energy-efficient products; to shrinking the ecological footprint of our operations; and to developing a workplace which fosters inclusion and innovation.

Hammond Power Solutions **SUSTAINABILITY MISSION**

Our passion for sustainability ensures that the world is energized today and for future generations to come. We commit to designing energy-efficient products; to shrinking the ecological footprint of our operations; and to developing a workplace which fosters inclusion and innovation. Hammond Power Solutions is a leading manufacturer of dry-type transformers and related magnetics. Our products are used in a wide range of industries, including renewable energy, data centres, mining and industrial applications. We are committed to providing innovative, reliable, and sustainable solutions that meet the needs of our customers while minimizing our impact on the environment. Established in 1917, Hammond has grown from a small family-owned business in the shortwave radio market into the industry leader in magnetic transformer design and manufacturing. Hammond today has multiple manufacturing facilities throughout Canada, United States (“U.S.”), Mexico and India. Hammond serves its customers from a network of nine regional warehouses throughout North America.



Our 5 Pillars of Sustainability

1. Environment



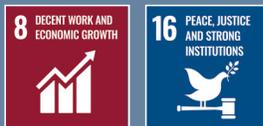
2. People



3. Community



4. Economic



5. Continuous Improvement



Our 5 Priority Pillars of Giving

1. Food Insecurity



2. Affordable Housing



3. Education



4. Health & Welfare



5. Environment



We understand there are responsibilities that need to be taken by organizations to understand and mitigate their impacts on the planet wherever possible. We have embedded the applicable United Nations Sustainable Development Goals (“SDGs”) into our sustainability strategy. Hammond has adopted the SDGs that we have direct impact on into this strategy to have a focus on the areas we can impact the most. We also have tailored our giving program to encompass those areas our community involvement and donations have the biggest impact and our areas of focus.

Approach to ESG

Materiality Assessment

Our passion for sustainability ensures that the world is energized today and for future generations to come. We have committed to designing energy-efficient products; to shrinking the ecological footprint of our operations and to developing a workplace which fosters inclusion and innovation. We are committed to continuously improving our ESG performance and reporting on our progress. We believe that by prioritizing ESG, we can create long-term value for our stakeholders, build a stronger and more resilient business and make a positive impact on the world around us. We have been embedding sustainability principles into the way we do business, our decision-making processes and our everyday activities.

Hammond's ESG strategy is managed by our Sustainability Working Committee. The Sustainability Working Committee is composed of individuals from across our business who not only provide a diverse perspective on Hammond's efforts on ESG topics but also support the activation of our approach to ESG throughout our business. The Sustainability Working Committee provides updates to Hammond's leadership with specific details of our efforts to ensure effective management of our ESG priorities. Hammond has followed a content gathering and approval process to ensure this report accurately reflects our practices and performance.

Environment



3.2% Improved Energy Efficiency

72% Waste Diverted From Landfill



+1k
Trees Planted



Health & Safety

0.000825%
Hours Lost as a % of Hours Worked

1.8 Frequency of Incidents/Injuries



19.1 Severity of Incidents/Injuries



Social

2,200
Workforce



2,622 Employee Continuous Improvement Solutions

\$644,031 Continuous Improvement Savings from Employee Solutions

2,991
Employee Volunteer Hours



\$322,031
Donations

Environment

Emissions

We are committed to sustainability and environmental stewardship. As a manufacturer, HPS recognizes the significant impact of our operations on the environment and acknowledge our responsibility to minimize this impact while maintaining profitability. Sustainability is a core priority across all levels of our organization, and we actively collaborate to identify key areas for improvement. This includes exploring opportunities for change and strategically positioning our company to achieve long-term environmental goals.

We are dedicated to adopting and refining sustainable practices that reduce our carbon, waste and water footprints. Our efforts include implementing various waste diversion strategies such as comprehensive recycling programs and waste separation processes. Additionally, we continuously invest in energy-efficient technologies and explore methods to optimize our natural gas usage; for example, through enhancing our

oven bake cycles to optimize resource use.

Hammond's impressive growth in demand has led to increased production, the opening of a new facility and the expansion of two existing facilities, resulting in a 10% rise in Scope 1 and 2 emissions. These developments highlight our dedication to scaling operations and enhancing our capabilities. Additionally, we have experienced a dynamic shift in our emissions profile, with a 22.5% increase, reaching 8,611 tCO₂e. This change reflects the company's proactive approach to expanding its Scope 3 categories, leading to an 84% rise in Scope 3 emissions compared to 2023. These advancements demonstrate Hammond's commitment to sustainable growth and innovation.

	2024	2023	2022
Scope 1	2,748	3,126	2,788
Scope 2	4,328	3,299	2,908
Scope 3*	*1,535	246	262
Total	8,611	6,671	5,963

Table 1. Global GHG Emissions by Scope (tCO₂e)

*The inclusion of business travel and employee commuting in our sustainability metrics for 2024, along with waste and water consumption, has provided valuable insights and contributed significantly to the notable increase in this category. This comprehensive approach underscores our commitment to capturing a holistic view of our environmental impact and driving meaningful improvements.

Scope 1 includes direct GHG emissions from sources that are owned or controlled by the Company such as natural gas consumption and company owned vehicles.

Scope 2 accounts for GHG emissions from the generation of purchased electricity and electric company fleet.

Scope 3* includes all other indirect emissions. HPS continues to include various categories in Scope 3 reporting.

Environment **Emissions (con't)**

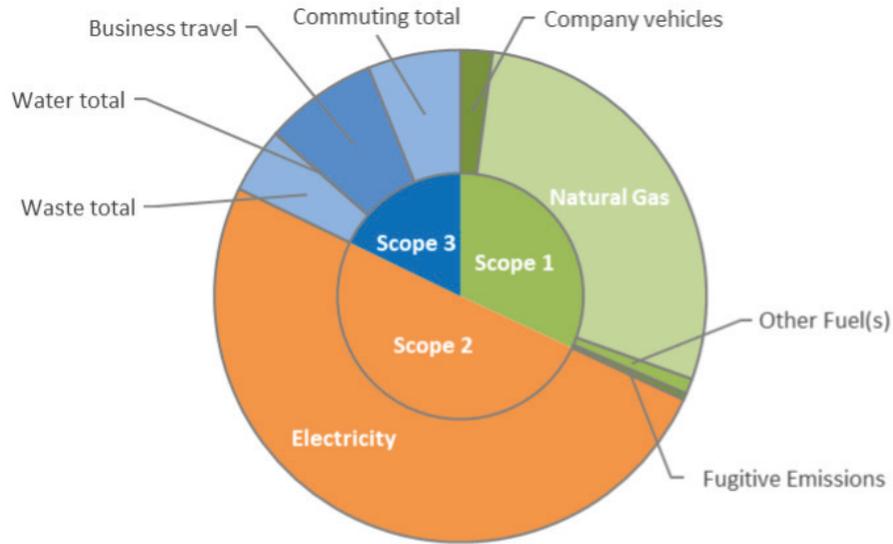


Figure 1. 2024 GHG Emission Breakdown

Several of our facilities, including Aberfoyle, Baraboo, Walkerton and Guelph, reported a commendable reduction in emissions compared to 2023. Our Guelph facility achieved a noticeable decrease in emissions due to the improvements in our headquarters facilities renovations since the summer of 2023. These efforts have led to lower energy consumption and a significantly reduced carbon footprint, showcasing our commitment to sustainability and environmental responsibility.

Driven by the exciting expansion of our Monterrey Plant 1 facility, which included doubling its square footage and a 40% increase in manufacturing capacity, Monterrey Plant 1 experienced an increase in electricity consumption in 2024.

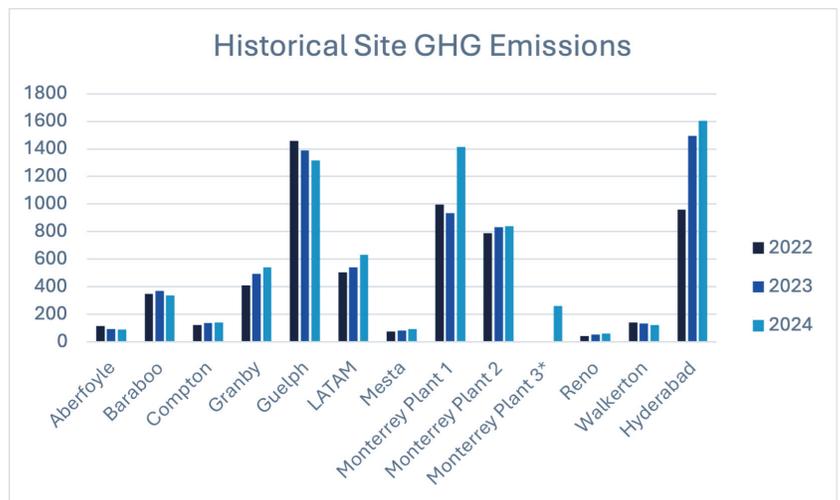


Figure 2. Historical Site Emission Comparisons (tCO2e).

*Indicates a new plant

Environment Emissions (con't)

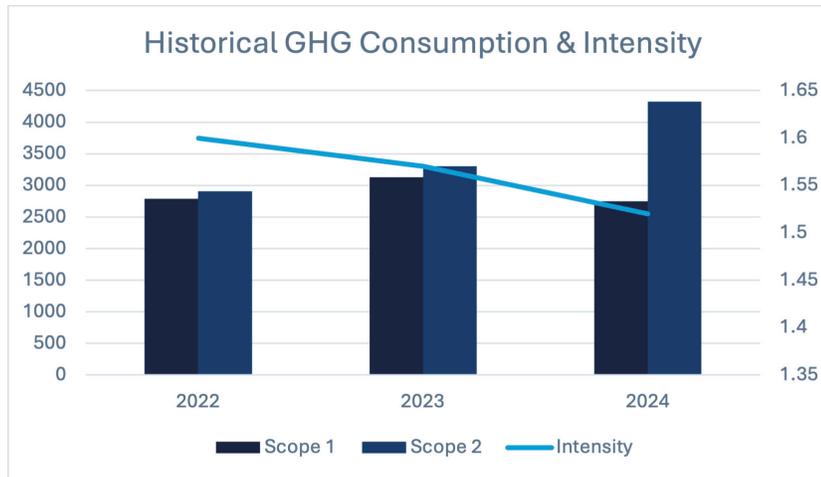


Figure 3. Historical Scope 1&2 Consumption and Intensity (kgCO2e/labour hour)

The graphic above (Figure 3) provides a comparative analysis of Hammond’s Scope 1 and 2 performances, along with carbon intensity for 2024. An increase in Scope 2 emissions is attributed to the expansion of our Monterrey Plant 1 facility and the start-up of a new facility, Monterrey Plant 3. Ongoing monitoring and evaluation of the intensity of these categories is essential enabling us to ensure that our resources are being used efficiently. To support this, we have established specific targets to drive continuous innovation and achieve ongoing improvements in our efficiency standards. These efforts underscore our commitment to sustainable growth and operational excellence.

Targets



Figure 4. Breakdown of Scope 1 & 2 Near-Term Targets

We have set ambitious three-year near-term targets to reduce HPS carbon intensity by 13% by 2026 and to limit the company’s absolute emissions by 10% by 2026. This decision reflects our proactive approach to account for multiple expansions, new sites, and a significant increase in production, ensuring that these targets remain both realistic and achievable. Figure 5 provides a year-over-year breakdown of these targets and highlights our success in meeting our first annual emissions targets in 2024. These efforts demonstrate our commitment to sustainability and continuous improvement.

Environment (con't)

Waste

The increase in resource consumption reflects a significant rise in productivity and the inclusion of additional facilities in the reporting scope. In response to the rise in wood consumption, HPS continues to implement innovative strategies to divert this waste through a comprehensive recycling program, as well as facilitating employee and community donations to repurpose the discarded wood for various uses, such

as heating sources and building materials. Notable increases were observed in wood and landfill waste, rising by 26% and 32%, respectively. In 2024, HPS experienced a dynamic increase in overall global waste consumption, with a 14% rise compared to 2023, as illustrated in Figure 6. These efforts highlight our commitment to sustainability, community engagement, and operational excellence.

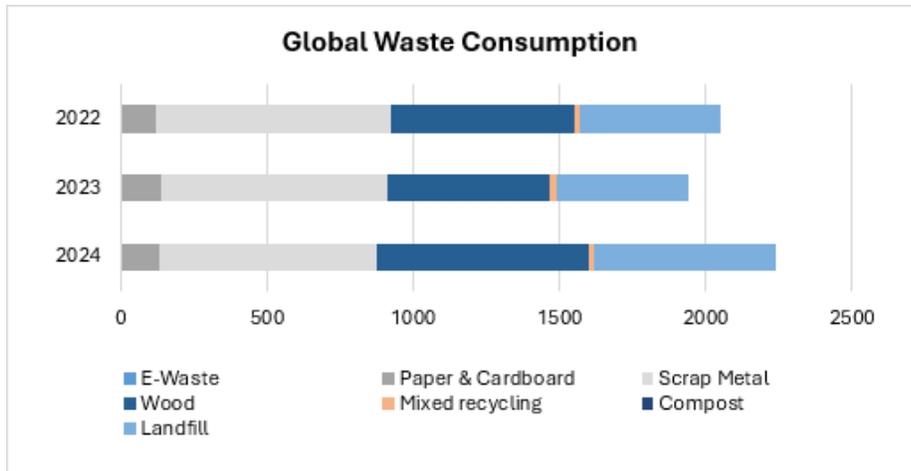


Figure 5. Historical Global Waste Consumption

In 2024, 72% of the resources used across all HPS facilities were successfully diverted from landfills through recycling, repurposing, and reuse, marking a slight increase from 71% in 2023. Scrap metal and wood continue to be the most recycled materials due to their high recyclability rates along with the significant volume of these core materials used in our manufacturing and distribution processes. Several ongoing initiatives at various facilities are focused on reducing wood usage, including the redesign of certain skids to enhance shipping efficiency and the replacement of internal wood skids with more durable, reusable plastic alternatives. The skid redesign project is expected to save approximately two hundred pine trees and generate \$23,000 in cost savings in 2025. While we strive to increase the recycling of materials and the use of recycled content, we also

encourage the reduction of resource consumption across all locations to minimize waste production. These efforts underscore our commitment to sustainability and innovation.

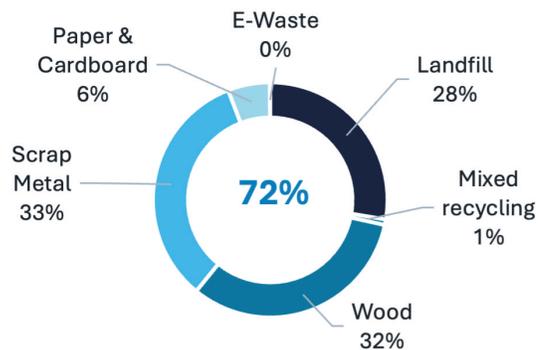


Figure 6. 2024 Waste Diversion Ratio and Waste Consumption Composition

Environment (con't)

For several years, HPS has collaborated with the Electronic Recycling Association (“ERA”) to responsibly dispose of our e-waste at various Canadian locations. Through this partnership, the organization refurbishes unwanted electronics, supporting communities and organizations in need, in alignment with our mission to energize the world. Additionally, our Granby location has earned the first “ICI on Recycle” waste management certification, which recognizes organizations across Quebec for their proactive efforts in improving waste management practices within their operations. This facility has set a goal to advance to the next certification tier by 2026.



Water

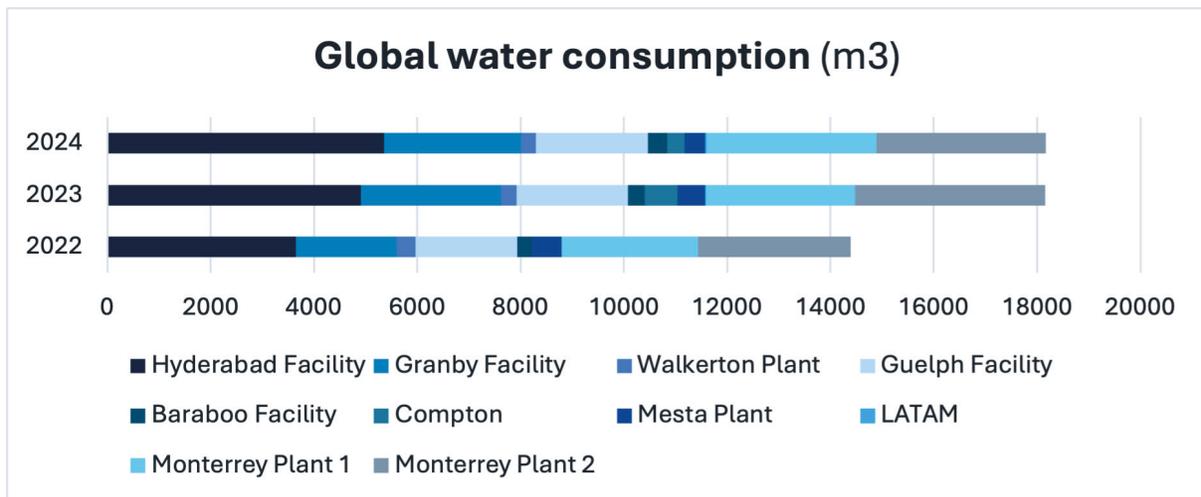


Figure 7. Global Water Consumption All Facilities

In 2024, global water consumption increased by 0.78%. While there was a significant spike in consumption early in the year, ongoing monitoring allowed three locations to identify and address water line leaks. Once these leaks were resolved, consumption steadily declined and stabilized by year-end, resulting in figures similar to those of 2023. It is important to note that water is not used in any of our manufacturing processes; consumption is solely for human use, including washroom facilities and drinking water. Given that we operate in regions with high baseline water stress, particularly in Mexico and India, we remain mindful of the challenges posed by water scarcity. We are actively evaluating strategies to safeguard our employees in these areas. Several locations have implemented initiatives to reduce water consumption, including retrofitting washroom facilities for greater efficiency, installing greywater systems, and incorporating water catchment systems for outdoor use.

Climate Disclosure Project (“CDP”)

Our CDP Score continues to average a C for our climate change and water performance for our second assessment. We eagerly anticipate the industry average scores, which will enable us to continue monitoring our performance against our peers. This ongoing evaluation is crucial for ensuring we maintain our commitment to excellence and stay ahead in our industry.



Ecovadis

In 2024 Ecovadis awarded HPS with the Commitment Badge in recognition of our sustainability achievement. In 2023 we continued our impressive upward trend, reaching a score of 45. We eagerly await our 2024 score. This consistent improvement reflects our dedication to excellence and our commitment to achieving even greater success.



People

Health & Safety

The health and safety of our employees and customers are paramount to our operations and integral to our company culture. We adhere to stringent health and safety protocols, laws, and regulations to ensure a safe working environment. Proactive procedures, including a comprehensive Emergency Response Plan (“ERP”), are in place to effectively address potential emergencies. HPS is committed to fostering a culture of safety that exceeds mere compliance.

Our safety systems are designed to identify, assess, and manage hazards globally, supported by our Environmental, Health, Safety & Wellness Policy, which reflects our dedication to the health and wellbeing of our workforce. Central to our health and safety practices is the Plan, Do, Check, Act methodology. This approach ensures that each step and system is thoroughly planned, checked for compatibility, refined, and then implemented.

We employ robust measurement systems to monitor and analyze incident frequency and severity, with a strong emphasis on prevention. Near-miss and first aid incidents are tracked to identify and address potential hazards. Additionally, we participate in local safety groups to benchmark our workers’ safety insurance statistics against local and industry standards. Ongoing health and safety compliance training at all levels is fundamental to maintaining a safety-first mindset across the organization.

Our policies, including the Workplace & Safety Rules of Conduct, Contractor Health & Safety Policy, Health & Safety Communication Procedures, Electrical Safety Guidelines, and Business Continuity Response Plan, ensure effective governance and support a safe working environment. As an ISO-certified organization, we provide clear Standard Practice Instructions (“SPIs”), which are regularly updated to ensure that employees receive the necessary knowledge, training, and acknowledgment of safety protocols.

While we strive to prevent incidents through proactive hazard identification, we recognize that emergencies may still occur. To minimize their impact on employees, the environment, and business operations, our ERP provides detailed guidance for managing a wide range of potential emergencies, including evacuations, fires, medical incidents, spills, bomb threats, electrical failures, natural disasters and suspicious packages.

In 2024, HPS celebrated another positive safety performance, having seven facilities with zero lost time injuries or accidents and meeting our overall frequency target for the year. A 360-degree risk analysis project was implemented and selected to win an award in April 2024 from the MultiPrévention ASP in Quebec. Our Mexico Teams were also recognized with three state-level government recognitions for their contributions to promoting safety in the workplace.

	Frequency	Severity	Hours Lost as % of Hours Worked
2022	2.7	31.1	0.00127%
2023	1.6	6.8	0.00027%
2024	1.85	19.17	0.00825%

Table 2. Frequency and Severity Metrics

Employee Well-being & Growth

HPS is committed to prioritizing the well-being and professional growth of our employees. We invest approximately 1.5% of global salary in the HPS Learning Centre, which offers both mandatory and voluntary learning opportunities designed to enhance employees' knowledge and skills. The centre also provides valuable networking opportunities and support for obtaining or maintaining professional designations.

Flexible Work Options: We provide our employees with flexible days to support personal or family commitments. Additionally, many of our locations offer remote or hybrid work arrangements to promote a healthy work-life balance.

Employee Share Ownership Program:

We encourage employees to participate in Hammond's share ownership plan in our Canadian and U.S. based locations aligning their interests with shareholders.

Social Events & Community Engagement:

HPS sponsors, organizes, and hosts a variety of social events designed to foster camaraderie and cultivate a positive work environment that encourages relationship-building. These events also serve to benefit vulnerable community members through employee-raised financial contributions and active community involvement. In 2024, HPS Guelph hosted a charity golf tournament in support of Elora House, an organization dedicated to assisting individuals fleeing domestic abuse and victims of human trafficking.

Collaboration with Educational Institutions:

We partner with local colleges and universities to offer summer employment, co-op work terms, and internship opportunities. This collaboration is a key initiative for HPS to cultivate the next generation of talent and innovation. Additionally, we provide a range of scholarship opportunities for our employees and sponsor awards within the communities we serve to further this work.

Succession Planning and Leadership:

HPS prioritizes internal workforce planning and leadership development, as Management and the Board recognize that these practices are essential to long-term business sustainability. Hammond has historically benefited from low employee attrition and a highly experienced workforce. However, shifting demographics have prompted a greater emphasis on leadership development, succession planning, and knowledge transfer and skills building.

Great Place to Work

Employee engagement remains a key focus for HPS as we embark on an exciting new certification milestone. In 2024, HPS was certified as a Great Place to Work in Canada, the USA, and India, based on employee feedback and engagement, narrowly missing the Mexico certification by just 2 points. The Mexico teams have developed action plans from these learnings and are confident in certification for 2025. The Great Place to Work certification reflects an organization's commitment to creating an exceptional employee experience and workplace culture, as measured by employee feedback. This certification offers valuable insights for continuous improvement and highlights the factors that drive employee enthusiasm and engagement within the organization.

The survey encompasses various categories, with HPS receiving strong scores across many areas. Particularly notable was our "Justice" category, which earned 80% (out of 100), demonstrating that employees feel they are treated fairly within the organization.

The infographic is set against a dark blue background and features three distinct sections, each with a red 'Great Place to Work' logo and a white icon. The top section for Canada shows a table icon and a quote about pride in the workplace. The middle section for India shows a shield icon and a quote about physical safety. The bottom section for the USA shows a scales of justice icon and a quote about fair treatment. Each section includes the certification period 'JUN 2024-JUN 2025'.

Region	Percentage	Quote
Canada	81%	"I AM PROUD TO TELL PEOPLE I WORK HERE"
India	82%	"THIS IS A PHYSICALLY SAFE PLACE TO WORK"
USA	82-87%	"PEOPLE HERE ARE TREATED FAIRLY REGARDLESS OF GENDER, RACE OR SEXUAL ORIENTATION"

Diversity, Equity & Inclusion (“DEI”)

HPS is committed to cultivating a diverse, equitable, and inclusive workplace where all employees are valued and respected. We believe that diversity is essential to fostering a culture of innovation and continuous growth, a sentiment reflected in the positive DEI feedback from the Great Place to Work surveys conducted in 2024.

To advance our DEI efforts, HPS has implemented a range of initiatives, including training and education on the importance of DEI, inclusive hiring and promotion practices, and the global tracking and reporting of our DEI progress. We also celebrate our diverse culture through events such as International Women’s Day, Diwali, Pride and Truth and Reconciliation Day.

In 2024, HPS made notable strides in improving gender balance, with the percentage of women in leadership positions increasing by 7% and the overall proportion of female employees rising by 2%.



Figure 8. From left to right International Women’s Day Celebration in Guelph, Diwali Celebrations in India, International Women’s Day in Mexico.

In 2024, HPS placed significant emphasis on the global launch of our DEI Training Curriculum, achieving a 76% completion rate within its first year. DEI principles are integrated into various training programs and policies to ensure that representation and inclusivity are embedded across all aspects of our business operations and hiring practices.

Our Zero Tolerance Discrimination Policy, which encompasses DEI, is designed to promote the following:

- The advancement of diversity and inclusion within our teams, employee participation, management decisions, and behaviours.

- A commitment to seek, respect, value, and leverage diverse perspectives and ideas through the contributions of both employers and employees to the communities we serve.
- Accountability in sharing the responsibility for fostering inclusivity.
- Ensuring that all relationships are grounded in mutual respect and shared growth.

Looking ahead to 2025, we will continue to expand our DEI training curriculum with additional courses aimed at further cultivating a safe, inclusive, and welcoming environment for all.

Community

Hammond Giving Program

HPS is deeply committed to the power of community and the importance of sustainability. Over the past year, our employees have demonstrated a steadfast dedication to creating a positive impact on both the environment and the communities we serve. In 2024, HPS employees contributed **2,991 volunteer hours**, and our Corporate Giving Program facilitated philanthropic donations and community sponsorships totaling **\$322,031 CAD** both significant increases from the 2023 giving year.

Through a variety of volunteer initiatives, we have not only supported a healthier planet but also fostered a strong sense of unity and purpose among our team members. This report highlights the key sustainability and community engagement efforts undertaken by HPS, showcasing the collective commitment and compassion of our company and its people.

HPS Earth Week

In celebration of Earth Day on April 22, our global teams actively participate in a variety of educational sessions, community cleanups, and waste diversion initiatives. The dedication of our employee volunteers has had a meaningful impact, fostering a sense of pride and environmental responsibility within our facilities and the surrounding communities.

In Baraboo, employees engaged in beach cleanups and wood bundling efforts to help preserve Devil's Lake

and Mirror Lake State Parks in Wisconsin. In Hyderabad, India, we hosted an Environment Awareness Day to educate and inspire participants to adopt sustainable practices both at work and in their personal lives. In addition to these Earth Week initiatives, our teams have continued to support environmental sustainability year-round through our Adopt-a-Tree and Tree Planting programs.

Tree Planting and Adopting Programs

Recognizing the critical role trees play in mitigating climate change, we have organized Adopt-a-Tree and seasonal tree planting initiatives globally. These events have garnered strong participation from both employees and community members, leading to the planting of thousands of trees each year. At our facilities in Mexico, employees marked Earth Day and Environment Week with several meaningful initiatives, including a tree donation campaign and a volunteer effort where employees visited a local high school to plant trees as part of the reforestation program.



Figure 9. The Mexico Team 2024 Tree Planting.

Community (con't)

Riparian Land and Cooling Streams Rehabilitation

Our commitment to environmental stewardship is reflected in the riparian land and river rehabilitation initiatives led by our employee volunteers, along with our expanding partnerships with Trout Unlimited and Freshwater Conservation. In Guelph, volunteers worked diligently to restore the Eramosa River wetlands as part of our global Earth Week efforts. The team removed thousands of pounds of invasive Eastern buckthorn, which had been threatening the wetlands and surrounding forest areas and replaced it with 30 species of trees and shrubs, including the endangered butternut tree. In total, over 350 plants and trees were replanted in the area. Additionally, our Guelph facility hosted a riparian land rehabilitation event for employees and their families, where over 140 trees and herbaceous plants were replenished.

These efforts will help strengthen stream banks, expand the urban canopy, improve air quality, provide shade to maintain water temperatures, and enhance the

management of ground and stormwater. In Walkerton, HPS volunteers focused their efforts on rehabilitating the former Witter's Pond/Otter Creek, planting over 50 trees. These trees play a critical role in flood prevention, reducing erosion, minimizing flood risks, and providing habitat for local wildlife, all while contributing to biodiversity enhancement.



Figure 10. The Walkerton Team Tree Planting and River Restoration

Community Gardens

One of our most impactful grassroots initiatives has been the creation of on-premises community gardens. Employee volunteers in Aberfoyle, Guelph, Compton, and Granby have collaborated to build, plant, and maintain these gardens, offering fresh produce to our workforce. The wood for our raised garden beds was sourced by repurposing wooden pallets from material shipments. These gardens have not only facilitated the growth of fresh, pesticide-free produce, but have also fostered shared spaces where employees can connect and engage in learning about sustainable gardening practices.



Figure 11. The Aberfoyle Recycled Garden Program

Community (con't)

Community Nutrition Programs

Food insecurity remains a significant issue across North America. In the U.S., 13.5% of households experienced food insecurity in 2024, impacting 18 million households. In Mexico, approximately 3% of the population faces severe food insecurity, and in Canada, 1 in 4 households, with children being particularly vulnerable.

In response, HPS formed a partnership with Hambre Cero and Caritas Food Bank in Mexico, to address food insecurity. Caritas and Hambre Cero not only provide sustenance but also focus on offering balanced nutrition. Hambre Cero repurposes food nearing its expiration date to prevent waste while nourishing families in need. HPS volunteers contributed to these efforts by sorting fruits and vegetables, organizing canned goods, and assembling food kits.

Additionally, HPS supported Extiende tu Mano AC, a community organization in Mexico that addresses social challenges through programs such as a community kitchen, educational support, domestic violence counseling, and more. HPS made a monetary donation and repurposed chairs and foldable tables from our recent facility renovations, helping to revitalize this important community centre.

In Canada, HPS partnered with The Children's Foundation's Keep Kids Fed at Home program (formerly Food4Kids), which addresses child hunger by providing take-home food packages to children facing severe food insecurity in Guelph. In 2024, HPS invested \$10,000 to help bridge the weekend hunger gap when children do not have access to school meal programs. The program also provides grocery gift cards during school holidays to assist families in purchasing food.



Figure 12. The Mexico Team Cheque Presentation with Hambre Cero

Community (con't)

Affordable Housing

In 2024, HPS expanded its partnership with Habitat for Humanity as a major sponsor of the inaugural ‘Hands On For Housing’ community event. This initiative aimed to engage local youth in exploring skilled trades while addressing affordable housing challenges. Over 150 students participated in hands-on workshops and building projects focused on skilled trades and housing advocacy. The event culminated in a public Showcase Celebration, where community members bid on creations such as backyard sheds and upcycled furniture, with proceeds supporting Habitat’s affordable housing projects. As a key sponsor, HPS is committed to empowering the next generation to advocate for affordable housing solutions and pursue careers in skilled trades.

Day of Giving Campaigns

During the holiday season, HPS employees in Aberfoyle packed and delivered 120 Winter Warmth Kits to the Royal City Mission in Guelph. These kits, containing essential items such as warm clothing and hygiene products, provided comfort to those experiencing homelessness and hardship during the harsh winter months. In addition, Aberfoyle and Guelph teams participated in the annual Holiday Food Hampers and Giving Tree Toy Drive, contributing over 400 lbs of food and 89 toys, all donated and wrapped by volunteers. Our Delta facilities made generous donations to SOS Moisson in Granby, Quebec, while the Walkerton team supported the Walkerton Food Bank during the holiday season. Baraboo employees contributed to the Beyond Blessed Food Pantry and The Pathway Home of South-Central Wisconsin, a shelter focused on recovery for individuals experiencing homelessness.

As we reflect on the past year, we take pride in the

Additionally, HPS’s Baraboo team partnered with Sleep In Heavenly Peace, a national organization dedicated to providing beds for children in need. The team helped build 41 beds for families in Sauk County.



Figure 13. The Baraboo Team and Families at the Sleep In Heavenly Peace Build Day

collective efforts of our employees and volunteers. Our community impact initiatives have not only supported a more sustainable and equitable world but have also fostered stronger connections within our company and the communities we serve. We remain dedicated to continuing and expanding our partnerships, driven by a shared vision for a brighter, more inclusive future.



Figure 14. The Baraboo Team with The Pathway Home of South-Central Wisconsin

Economic

Governance

Good governance is a cornerstone of ethical and accountable business practices, and HPS is fully committed to upholding the highest standards of integrity. We pledge to operate in accordance with ethical principles and hold ourselves accountable to all stakeholders involved. To ensure compliance with applicable laws, regulations, and corporate governance frameworks, we have established comprehensive policies and practices. Additionally, we are dedicated to ensuring that our materials are sourced from a supply chain that aligns with our commitment to social and environmental sustainability.

Our Sustainability Governance Structure identifies key stakeholders who monitor, evaluate, and advocate for our sustainability performance on a global scale.

The reporting structure facilitates a comprehensive approach, allowing for both top-down and bottom-up oversight of our sustainability initiatives.

The Executive Team oversees the Sustainability Working Committee, approves the budget for key sustainability initiatives, and fosters a culture of sustainable collaboration throughout the organization. The Sustainability Working Committee, composed of representatives from all business functions, is

responsible for addressing sustainability measures based on monthly performance data, setting goals and aligning each function’s sustainability objectives with the company’s overall strategy.

The Green Team operates at the local level, responsible for data collection, entry, and driving projects aimed at improving sustainability performance within each facility. This team leverages sustainability trends to implement targeted initiatives. Additionally, the Health & Safety Committees, with representatives at nearly every facility, work to mitigate health and safety risks and communicate best practices across the organization.

To ensure our sustainability performance aligns with corporate values, and to maintain transparency and ethical standards, HPS adheres to recognized reporting frameworks, including the Global Reporting Initiative (“GRI”), the Task Force on Climate-Related Financial Disclosures (“TCFD”), and the Sustainability Accounting Standards Board (“SASB”). In 2025, we will incorporate the regulatory requirements of the Canadian Sustainability Standards Board into our disclosures as part of the mandatory Canadian reporting for 2025 data.

At the Board level, various committees provide oversight of governance practices, ensuring proper

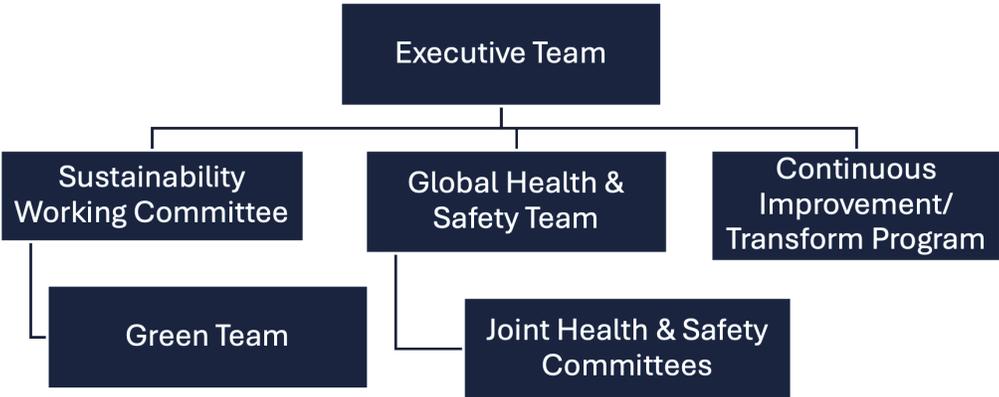


Figure 15. HPS Sustainability Governance Structure

Economic **Governance** (con't)

accountability and guiding high-level decision-making in sustainability efforts. Our Code of Conduct outlines the ethical and legal standards that all stakeholders, both internal and external, must adhere to in order to align with HPS values. It emphasizes our commitment

to conducting business with integrity and in compliance with applicable laws. To ensure understanding and accountability, all employees are required to read and acknowledge the Code by completing an annual quiz, with a minimum passing score of 80%.

Audit Committee	Compensation & HR Committee	Governance Committee
<ul style="list-style-type: none"> • Internal control assurance • Oversee external audits and financial disclosures • Review quarterly business and financial reports • Monitor whistleblower reporting 	<ul style="list-style-type: none"> • Develop compensation philosophy and policies • Oversight of Board and Executive compensation 	<ul style="list-style-type: none"> • Corporate governance procedures • Development of work plan • Board recruitment, renewal and diversity • Board and Director evaluation • Review health and safety reporting • Board education

Figure 16. Governance Committee Responsibilities

Stakeholder Engagement

HPS strives to be an active and trusted member of the communities where it operates. The company prioritizes ongoing stakeholder engagement, recognizing the importance of collaborating with a diverse group of stakeholders including customers, employees, suppliers, investors, regulators and local communities. We engage these various stakeholders by:

Open Dialogue and Transparency:

HPS is committed to actively listening to the concerns of our stakeholders and providing accessible channels for feedback, including our whistleblower policy, which applies to both internal and external parties. We foster a collaborative work environment by promoting open dialogue and transparent communication, thereby cultivating trust and mutual understanding across the organization.

Local Contributions:

HPS aims to uplift local economies by:

- Recruiting Locally: The company hires employees and external contractors from the local community.
- Supporting Local Businesses: HPS relies on local businesses for services.

HPS holds the belief that our company represents the community, and in turn, the community represents HPS. Our commitment to stakeholder engagement reflects our dedication to responsible business practices and sustainable interactions with the broader community.

Engagement Initiatives:

- Customer Surveys: Regular surveys allow HPS to gather feedback from its customers.
- Employee Surveys and Focus Groups: These forums are key elements of our listening strategy to hear our employees' perspectives through surveys and facilitated focus group sessions on a variety of topics that are valued by our employees.

- Townhalls: These provide a platform for interactive discussions on the state of the business financially and important organization wide updates.
- Supplier Meetings: Engaging with suppliers ensures strong partnerships. When our suppliers are considered in our plans, we ensure we have an uninterrupted supply chain in delivery our goals.
- Community Outreach Programs: HPS actively reaches out to local communities in several ways. A 2024 example would be our Habitat for Humanity collaboration, our employees participated in 4 different build days working with Habitat to help battle against the current affordable housing crisis in the region.



Figure 17. A Volunteer Group from our Guelph location at the Hammond Habitat Build Day

Economic (con't)

Supply Chain

We consider our suppliers to be strategic, long-term partners, and we are committed to cultivating transparent, ethical, and socially responsible relationships with all of them. A sustainable supply chain is one of our top priorities. As an electronic equipment manufacturer, the materials we source are subject to compliance regulations, given their potential impact on human health, the environment, and their origins in conflict-affected regions. We recognize that our responsibility extends beyond our own operations, and we are dedicated to sourcing materials responsibly to minimize any negative impact on both people and the environment.

Sustainable Procurement Organization

HPS' Vice President of Global Supply Chain and Global Commodities Director champion sustainability within our supply chains by collaborating with the HPS Sustainability Team to develop actionable plans. These plans are then presented to the Sustainability Working Committee and shared with the Executive Team for review and alignment. In Q4 2024, HPS appointed a

dedicated Supply Chain Sustainability Specialist to drive initiatives and establish targeted actions. A key initiative for 2025 includes the formation of a cross-functional Sustainable Procurement Committee, aimed at ensuring that procurement practices are ethical, responsible, and aligned with HPS' core mission.

Supply Chain Overview

HPS' supply chain encompasses both direct material suppliers, providing wire, foil, core steel, enclosures, bus bars, and electrical accessories, as well as suppliers of indirect goods and services. We maintain long-term relationships with approximately 500 direct material suppliers and 200 indirect/service suppliers across the globe. Our operations extend across Canada, the U.S., Mexico and India, with key operational facilities located in Guelph, ON (CA), Granby, QC (CA), Compton, CA (U.S.), and Monterrey, NL (Mexico), where

production is concentrated due to the manufacturing capacity of these sites. We prioritize sourcing from local suppliers in Ontario, California, and Nuevo Leon to reduce transportation costs, support local economies, and minimize our carbon footprint, reflecting our commitment to sustainability and operational efficiency.

In 2024, our total purchasing volume spend on local suppliers in main operating locations was 47%.

Mail location of operations	2024	2023	2022
Guelph	49%	50%	47%
Granby	32%	31%	30%
Compton	35%	31%	31%
Monterrey	53%	57%	64%

Table 3. Percentage of purchasing volume on local suppliers from main locations

Economic **Supply Chain** (con't)

Expectations Towards Suppliers

All transactions with suppliers are subject to the acceptance of our Purchase Order Terms and Conditions, which include our Supplier Code of Conduct. This code establishes minimum standards for workplace conditions, business practices, and environmental responsibility. Suppliers are required to comply with applicable laws and regulations, uphold human rights, maintain high standards for employee health and safety, safeguard the environment, adhere to anti-corruption

laws and promote compliance throughout their supply chain. Additionally, material suppliers must comply with regulations such as RoHS, REACH SVHC, and ensure the non-sourcing of Conflict Minerals. New suppliers are subject to an internal evaluation and approval process, with criteria publicly available on our website. In 2024, 100% of our suppliers signed and accepted these clauses.

Supplier Quality Audits

Our Quality Management team conducts on-site assessments to evaluate suppliers' management systems, verifying documentation such as ISO certifications and production process controls. In

2024, we introduced the External Provider Assessment Manual to standardize supplier evaluations, integrating key topics such as ESG and cybersecurity. A total of six suppliers were assessed in 2024.

Human Rights Initiatives in Supply Chain

We are committed to eradicating forced labour in our operations and supply chain. In 2024, we rolled out training on Forced Labour and Child Labour for HPS leadership and sourcing-related employees in English, Spanish, and Canadian French. Onboarding training for new hires is available in English, with plans to expand to other languages in 2025. Training will be mandatory for all employees, with annual completion required for office employees and bi-annual completion for production site employees.

	2024	2023	2022
Sourcing-related employees	86%	0%	0%
Rest of the workforce	28%	0%	0%

Table 4. Percentage of Employees That Completed Forced Child Labour and Modern Slavery Training Courses

Economic **Supply Chain** (con't)

Supplier Due Diligence

An independent risk assessment identified potential exposure to forced and child labour. The highest risk was associated with freight service providers, machine repair services, and apparel for personal protective equipment in Mexico, accounting for less than 1% of our total procurement spend. We initiated a discovery process to raise awareness, empower employees, and understand suppliers' maturity regarding human rights.

HPS publishes an annual Modern Slavery Statement in accordance to Canada Bill S-211.

In 2024, we contacted more than 80% of our targeted suppliers, receiving feedback from approximately 50% and are working diligently with the remaining suppliers. No cases of forced or child labour were reported. *

*Risk assessment and supplier engagement initiative excluded suppliers of our production facility Hammond Power Solutions Private Limited in India and Mesta Electronics, Inc. in U.S., due to unsynchronized ERP system. These locations will be included in 2025 supplier due diligence process

Environmental Initiatives in Supply Chain

Strategic suppliers are required to provide ISO9001 or equivalent certificates, with ISO14001 considered an initial environmental screening. Desktop-based research

has been conducted to identify 25% of suppliers by spend have Science Based Targets (SBTs).

Innovation and Service

Historically, HPS has maintained a strong focus on transformers. However, as market dynamics continue to evolve, we recognize the importance of adapting to these changes. This has prompted us to expand our product portfolio to better meet the needs of both new and existing customers. With our current range of offerings, customers can effectively address their energy requirements across various applications, while also reducing their overall energy consumption.

As a responsible business, we are committed to providing products that not only reduce greenhouse gas (“GHG”) emissions but also contribute to our own sustainability efforts. We are proud to state that 90% of our Power Transformer product offerings meet the efficiency standards set by Natural Resources Canada (“NRCan”) and the U.S. Department of Energy (“DOE”). In compliance with DOE 2016 and NRCan 2019 standards, our products achieve up to 99.5% efficiency, minimizing energy wastage and significantly reducing GHG emissions.

Approximately 70% of our annual shipments in North America comply with the rigorous efficiency standards set by industry regulations. The remaining shipments either fall outside these standards due to exemptions, are driven by specific customer requirements (often surpassing DOE/NRCan efficiency levels), or are not economically viable for the industry to produce at higher efficiency levels (e.g., small control transformers). Our commitment remains to offer energy-efficient products that reduce GHG emissions, decrease energy consumption from the grid, and empower our customers to make environmentally responsible choices.

Over the past decade, Hammond has invested millions of dollars to deliver high-efficiency designs at competitive prices. To emphasize the environmental and economic advantages of retrofitting older, less efficient transformers, we offer an online Transformer Efficiency Payback Calculator. Additionally, HPS provides solutions designed to extend the lifecycle of transformers, whether

they are HPS-branded or from competing manufacturers. Our Power Quality product line enhances the electricity quality supplied to transformers, further reducing energy consumption, while our Smart Transformers offer real-time performance data via an Industrial Internet of Things (“IIoT”) application. These innovations help customers optimize transformer maintenance and operation, thereby extending their operational lifespan.

In recognition of excellence in collaboration and innovation within our industry, Hammond Power Solutions and Mesta Electronics were honored with the Rockwell Automation Technology Partner Innovation Award in 2024. This award acknowledges our partnership in the successful implementation of innovative and transformative solutions for the City of North Bend Wastewater Treatment Plant. Through the application of Rockwell Automation and other partners’ digital and disruptive technologies, this project has significantly advanced operational efficiency within the plant.

Working alongside a leading Rockwell Automation distributor and wastewater system integrator, the project enabled the wastewater treatment facility to meet the IEEE-519 standards by ensuring that total harmonic distortion from the plant’s equipment remained below 5%. This achievement was made possible by the integration of HPS TruWave Active Harmonic Filters (“AHFs”), which not only helped meet IEEE requirements but also resulted in a cost reduction of over 40% in harmonic mitigation equipment. In addition to meeting compliance standards, the use of these filters enhanced the facility’s operational efficiency, contributed to substantial cost savings, and minimized the risk of environmental pollution.



Continuous Improvement

The HPS Continuous Improvement initiative is known as Transform, a program dedicated to consistently evaluating our performance and refining our processes to enhance safety for employees while driving improvements in quality and efficiency. Transform is a fundamental pillar of our business sustainability, ensuring we continuously evolve to meet the demands of our industry.

The success of *Transform* is rooted in strong employee engagement. We offer three distinct platforms that empower our employees to share their innovative ideas and contribute to the ongoing improvement of our operations:



Solutions

Solutions is a platform which allows employees to share their ideas that have a relatively quick implementation timeframe and, typically, with minimal resources needed. In addition to sharing their ideas, Solutions also empowers employees to take pride and ownership of helping to make HPS a better company to work for.



Kaizen/Projects

On a grander scope, employees can also share their larger ideas through the Kaizen/Projects platforms. These opportunities typically require more resources and departments to help aid in the completion of these ideas. There are also opportunities to increase collaboration when the scope and impact of the idea expands to include other facilities.



Transform Share Showcase

As is customary with other award shows, we celebrate the best ideas that have been implemented across the organization within a calendar year. These ideas belong to four award categories: Solution, Projects, Sustainability, and People’s Choice. In addition to sharing the hard work of our employees, this event also provides facilities an opportunity to share and adopt best practices- expanding the benefits of our employees’ creativity organization-wide.

Continuous Improvement (con't)

In 2024, the *Transform* program continued to drive improvements across our processes. Over the past year, more than 2,600 Solutions were submitted company-wide, averaging approximately 2.1 Solutions per employee. These contributions resulted in a total of **10,475 labour hours** saved and generated **\$642,031 CAD** in financial and raw-material savings. A detailed breakdown of the Solutions KPI can be found in Figure 14. material savings. Since its inception in 2022, *Transform* has demonstrated significant growth across several key metrics, including a 40% increase in the number of solutions submitted, a 62% rise in savings from implemented solutions, and a 40% growth in the average number of solutions submitted per employee.

2024 marked the sixth year that the Transform Share Showcase was held. Here are some of the highlights from the event:

Solutions Award - Granby

The production of nameplates for our units at Granby was previously managed through a just-in-time approach, requiring several manual steps between Operations and Engineering. Engineering teams were required to consult multiple resources and manually manipulate data for each nameplate, which not only impacted quality but also reduced operational efficiency, as each nameplate had to be individually created before shipping. To address this, the Engineering team developed an automated solution that allowed many of the nameplate fields to be auto populated, reducing the time spent on manual data entry by one hour per day. This automation resulted in annual savings of \$25,000 and significantly improved customer satisfaction by streamlining the production process.

Solutions Submissions- by KPI

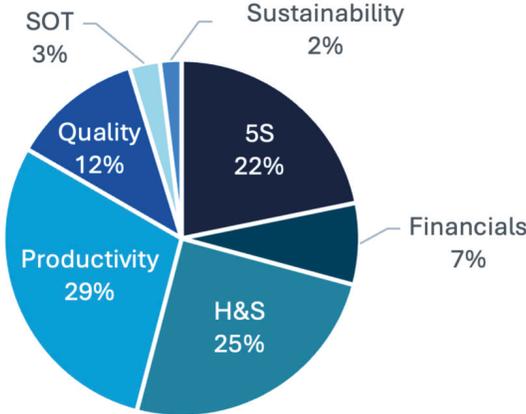


Figure 14. Chart depicting categories of solution submissions

Transform Award - Compton

Compton faced challenges in locating and identifying enclosure parts due to the disorganized storage practices within the warehouse. This led to several issues, including safety risks from employees working in congested areas with high motor traffic, as well as inefficiencies related to the time spent searching for parts. To address these challenges, a new racking system was implemented throughout the warehouse, designed to optimize safety and improve organization. The system was strategically placed in accessible areas to ensure quick identification of the required parts. Additionally, the materials used to construct the new racking system and kitting carts were sourced from scrap materials, effectively repurposing what would have otherwise been waste. This initiative not only enhanced operational efficiency but also contributed to sustainability efforts by minimizing waste.

Continuous Improvement (con't)

Sustainability Award (also People's Choice Award)

- Monterrey Plant 1

During the process of securing units to pallets for shipping, it was identified that there was inefficient use of space and materials, particularly wood. To address this issue, a team at Monterrey Plant 1 undertook a redesign of the skid to accommodate multiple shipping configurations for high-demand SKUs. As a result, the redesigned skid reduced wood consumption by 42 tons—equivalent to saving 240 pine trees—and generated financial savings exceeding \$325,000.



Data Performance Table

GRI STANDARDS			
Emissions & Energy Management	2024	2023	Framework
Air emissions of the following pollutants: 1. NOx (excluding N2O) 2. SOx, 3. particulate matter (PM10) 4. lead (Pb) 5. mercury (Hg); Percentage of each in or near areas of dense population	Reporting limits for the National Pollutant Release Inventory 1. 2.027 t/yr 2. 0.012 t/yr 3. 0.154 t/yr 4. 0.000 t/yr 5. 0.000 t/yr These numbers are reported globally for all facilities	Reporting limits for the National Pollutant Release Inventory 1. 1.903 t/yr 2. 0.011 t/yr 3. .0145 t/yr 4. 0.000 t/yr 5. 0.000 t/yr These numbers are reported globally for all facilities	IF-EU-120a.1, GRI 305-7
Estimated total Scopes 1 and 2 (location based)	7,076 tCO2e	6,425 tCO2e	GRI 305-1
Total Scopes 1 and 2 per CAD \$ (measured per million\$)	0.000009 tCO2e/million CAD dollars	0.000009 tCO2e/million CAD dollars	GRI 305-4
Direct Scope 1 GHG emissions of which: Fuel oil Gas Coal Vehicle fleet SF6 emissions	Fuel oil: 0 Natural Gas: 2,443 tCO2e Coal: 0 Vehicle fleet: 181 tCO2e SF6: N/A	Fuel oil: 0 tCO2e Natural Gas: 2,385 tCO2e Coal: 0 tCO2e Vehicle Fleet: 495 tCO2e SF6: N/A	GRI 305-1
Indirect (Scope 2) GHG emissions Of which grid electricity Of which renewable electricity (market based) Of which district heating	Grid electricity: 4,327 tCO2e Renewable electricity: 0 District heating: 0	Grid electricity: 3,288 tCO2e Renewable electricity: 0 District Heating: 0	GRI 305-2

GRI STANDARDS (con't)			
Emissions & Energy Management (con't)	2024	2023	Framework
Other relevant indirect (Scope 3 emissions) Upstream (all broken down categories) Downstream (all broken down categories)	Landfilled waste: 322 tCO2e Recycled waste: 47 tCO2e Water: 3.88 tCO2e Business Travel: 638 tCO2e Commuting: 524 tCO2e	Landfilled waste: 291 tCO2e Recycled waste: 32 tCO2e Water: 4.35 tCO2e	GRI 305-3
Absolute GHG variation per base year	29% increase from 2023-2024 (Additional scope added)	13.25% increase from 2022-2023	GRI 305-5
Environmental Stewardship & Circular Economy	2024	2023	Framework
Report the percentage of recycled input materials used to manufacture your organization's primary products and services	N/A	N/A	GRI 301-2
Report the composition of waste diverted from disposal	Scrap metal (Al, Cu, Steel); plastic; cardboard; wood; paper; e-waste	Scrap metal (Al, Cu, Steel); plastic; cardboard; wood; paper; e-waste	GRI 306-2
Total water withdrawn, (2) total water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	Total: 18,169.28 m3 of water consumed 18,140 m3 of water consumed was withdrawn from groundwater % consumption in high baseline water stress areas: 66% % of water withdrawn in high baseline water stress areas: 66%	Total: 18,151 m3 of water consumed 17,833 m3 of water consumed was withdrawn from groundwater % consumption in high baseline water stress areas: 63% % of water withdrawn in high baseline water stress areas: 62.3%	IF-EU-140a.1

GRI STANDARDS			
Health & Safety	2024	2023	Framework
Total employee H&S training hours (Hours)	3455	Measurement not tracked in hours	GRI 404-1
Number of medical incidents	10- Ontario	21-Globally	GRI 403-9
Number of lost time accidents	0- Ontario	10-Globally	GRI 403-9
Number of fatal accidents	0- Ontario	0	GRI 403-9
Employee Wellness/ Composition	2024	2023	Framework
Number of employees during the reporting period and gender Total (M,F,O) Canada United States Mexico India	Total- 2,077 (1,598/478/ 1) Canada- 649 (470/178/1) United States-127 (86/41/0) Mexico- 1000 (756/244/0) India- 301 (286/15/0)	Total- 1,869 (1,446/ 395/28) Canada- 631 (457/170/4) United States- 124 (87/37/0) Mexico- 827 (631/173/23) India-287 (271/15/1)	GRI 2-7
Organization of working time Full time Part time	Full time: 2,063 Part time- 14	Full time-1,851 Part Time- 18	GRI 2-7
Turnover by gender Total Female Male Other	Total- 29.06% Female- 6.43% Male- 22.49% Other- 0.14%	Total: 29.45% Female: 28.92% Male: 28.74% Other: 33% versus 100%	GRI 401-1
Breakdown of workforce by gender (male, female, other) Total Board of directors Executive committee All management	Total- 2,077 (1598/478/ 1) Board- 7(5/2/0) Exec Committee- 7 (6/1/0) All Management*: 193(155/38/0) *Excludes Exec Team, includes Supervisor, Manager, Director & VP	Total- 1,869 (1,446/395/28) Board- 7(5/7/0) Exec Committee- 7 (6/1/0) All Management*:- 127(105/22/0) *Excludes Exec Team includes Manager, Director, VP	GRI 2-7

GRI STANDARDS (con't)			
Employee Wellness/ Composition	2024	2023	Framework
Report the percentage of senior management at significant locations of operation that are hired from the local community	90% - estimated	90% - estimated	GRI 202-1
Percent of employees covered by collective bargaining agreements	50.41% (1047 employees)	50.1% (932 employees)	GRI 2-30
Number of employee training hours per year	Grand Total 40862.9	Grand Total 1780.79	GRI 404-1
What is the Company's budget for annual training per employee	1.5% of base salary globally	1.5% of base salary globally 1,149,003.13 CAD	GRI 404-1
Stakeholder Engagement	2024	2023	Framework
Number of communities in which Hammond Power has operations (Number)	12	11	GRI 2-6
Percentage of communities in which Hammond Power has provided financial support and / or volunteering time	100%	100%	GRI 413-1
Number of hours allocated by the company to employees for volunteering	5,000 allocated; 2,991 completed	Volunteer hours provided by employee participation only	GRI 413-1
\$ Value of monetary donations to the communities operated in	\$322,031 CAD in addition to 50 child safety vests, used office furniture decorations, 320 comfort kits for local shelters, +1k trees planted	\$108,137 CAD; in addition to 300 meals, 132 pounds of food, 168 toys	GRI 2-29
Percentage of Hammond Power's projects that include Indigenous partnerships	<1%	None	GRI 413-1

GRI STANDARDS (con't)

Stakeholder Engagement

	2024	2023	Framework
Percentage of revenue that include Indigenous partners	Unknown	None	GRI 413-1
Percentage of Hammond Power's employees that have completed Indigenous training	None	None	GRI 413-1

Diversity

	2024	2023	Framework
Provide breakdown of workforce composition data by gender	Direct: 993 (790/202/1) Indirect: 595 (463/132/0) Individual contributors: 289 (184/ 105/0) Management: 200 (161/ 39/0)	Male: 1346 / 77% Female: 395 / 21.5 Other: 28 /1.5%	GRI 405-1

Good Governance

	2024	2023	Framework
Describe how your employees acknowledge governance policies (e.g., do employees have to sign off annually)?	Depending on the policies, employees review course with the key points of the policy and review the policy / documents For any of the courses the employees have to complete a quiz with an 80% pass rate.	Employees review course which summarized the policies / documents There is a quiz requires an 80% pass. The documents are available to read as part of the course	GRI 2-23
Percentage of employees that acknowledged: <ul style="list-style-type: none"> o Code of Conduct o Health & Safety Policy 	Grand total: 69%	Grand total 74%	GRI 2-23
Describe how this acknowledgement is done: (describe) <ul style="list-style-type: none"> o Do employees have to read the policies, or just sign off? 	Employees review course which summarized the policies / documents. There is a quiz that requires an 80% pass. The documents are available to read as part of the course	Employees review course which summarized the policies / documents. There is a quiz that requires an 80% pass. The documents are available to read as part of the course	GRI 2-23

GRI STANDARDS (con't)			
Good Governance	2024	2023	Framework
Number of Independent Directors/Committee chairs	7	8	GRI 2-11
Supply Chain Management	2024	2023	Framework
Report the percentage of new suppliers that were screened using ESG criteria	In 2024 there were no new strategic suppliers.	Estimated 25% - New MON3 had supplier site visits for employee conditions	GRI 308-1
The reporting organization shall report the following information: a. Operations and suppliers considered to have significant risk for incidents of: i) child labour; ii) young workers exposed to hazardous work. b. Operations and suppliers considered to have significant risk for incidents of child labour either in terms of: i) type of operation (such as manufacturing plant) and supplier; ii) countries or geographic areas with operations and suppliers considered at risk. c. Measures taken by the organization in the reporting period intended to contribute to the effective abolition of child labour.	The highest risk was associated with freight service providers, machine repair services, and apparel for personal protective equipment in Mexico, accounting for less than 1% of our total procurement spend. Please see above We initiated a discovery process to raise awareness, empower employees, and understand suppliers' maturity regarding human rights.		GRI 408-1

GRI STANDARDS			
SASB Standards	2024	2023	Framework
Gross global Scope 1 emissions, percentage covered under 1. Total energy consumed 2. Percentage grid electricity 3. Percentage renewables	37% 0% 0%	42% 0% 0%	RT-EE-130a.1
Number of customers served in markets subject to renewable portfolio standards (“RPS”)	2823	2717	IF-EU-110a.4
Number and aggregate quantity of reportable spills, quantity recovered	0 reported spills	1 spill, 1000L of varnish, 0L recovered	RT-EE-150a.2
Description of the management of risks associated with the use of critical materials	<ul style="list-style-type: none"> - All suppliers are of high-risk materials require multi-department sign off before proceeding. – - Purchase Orders are audited to ensure buy is from approved supplier. - Suppliers sign off on SPI documents before supplying any material. - Where applicable sample runs are completed and quality/engineer audit completed before production runs. 	<ul style="list-style-type: none"> - All suppliers are of high-risk materials require multi-department sign off before proceeding. – - Purchase Orders are audited to ensure buy is from approved supplier. - Suppliers sign off on SPI documents before supplying any material. - Where applicable sample runs are completed and quality/engineer audit completed before production runs. 	RT-EE-440a.1
Number of recalls issued; total units recalled	0	0	RT-EE-250a.1
Total amount of monetary losses as a result of legal proceedings associated with product safety	0	0	RT-EE-250a.2

GRI STANDARDS (con't)

SASB Standards	2024	2023	Framework
Total recordable incident rate ("TRIR") and (2) fatality rate for (a) direct employees and (b) contract employees	TRIR severity rate: 19.1 Frequency rate: 1.8	TRIR severity rate: 6.5 Frequency rate: 1.5 IF-EU-320a.1	
Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	0	0	RT-EE-510a.2
Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behaviour regulations	0	0	RT-EE-510a.3
Description of policies and practices for prevention of: 1. Bribery and corruption in the project bidding processes 2. Anti-competitive behaviour in the project bidding processes		- In our company Code of Conduct there is no tolerance for bribery, public or private of any kind. Any competitive information collected must be done legally. - In our supplier code of conduct suppliers must abide by all anti-corruption laws that prohibit all corrupt acts to retain or obtain business	RT-EE-510a.1
Percentage of eligible products, by revenue, certified to an energy efficiency certification	54%	Not reported	RT-EE-410a.2
Revenue from renewable energy-related and energy efficiency related products	\$604,097,809	Not reported	RT-EE-410a.3.

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Stock Exchange Listing

Toronto Stock Exchange (TSX)
Trading Symbol: HPS.A

Corporate Officers and Directors

Officers



Catherine McKeown
Chief People Officer



Adrian Thomas
Chief Executive Officer
& Director



Richard C. Vollering
Chief Financial Officer
& Corporate Secretary



John Bailey
Chief Operations Officer



Paul Gaynor
Chief Information Officer



David Kinsella
Chief Commercial Officer

Directors



William G. Hammond
Chair of the Board



Dahra Granovsky
Human Resources &
Compensation Member



Christopher R. Huether
Governance Member



Frederick M. Jaques
Governance Chair



Anne Marie Turnbull
Human Resources &
Compensation Chair



David Wood
Audit Chair



THOSE WHO LOOK ONLY TO THE PAST OR THE PRESENT
ARE CERTAIN TO MISS THE FUTURE.