

hammond
POWER SOLUTIONS



ESG Report 2025

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Standards disclaimer

This Sustainability Report has not been prepared in accordance with, and should not be interpreted as complying with, the standards issued by the Canadian Sustainability Standards Board (CSSB). Any references to sustainability related disclosures are voluntary and do not constitute a claim of alignment, adoption, or compliance with CSSB standards.



Who We Are

Hammond Power Solutions is a North American leader in dry-type transformers and power quality solutions, providing engineered products for the safe and reliable distribution of electrical power across industries including renewable energy, industrial facilities, commercial construction, digital infrastructure, and transportation. Our strengths lie in engineering expertise, manufacturing capabilities, and enduring customer relationships.



Our VISION

To be a transformative force that electrifies the world.

Our MISSION

We simplify electrification by shaping power solutions with our customers.

Our VALUES

We Care

We do the right thing

We strive to be better

We win together

Message from our CEO

As Hammond Power Solutions continues to grow, we recognize that increased scale brings greater responsibility. By entering new markets, expanding capacity, and diversifying our portfolio, we have strengthened our global presence while maintaining high standards across our operations.

In 2025, we enhanced our capacity to support customers with electrification, energy transition, and infrastructure needs worldwide. Our expanded workforce of 2,500 employees across four countries highlights our growing influence.

With this growth, our decisions have a greater impact on sustainability. By ensuring sustainability is integral to our growth strategy, we ensure our expansion is responsible, minimize negative environmental effects, and meet evolving customer expectations. Sustainable practices are essential for providing innovative solutions and securing long-term success in a rapidly changing world.

Environmental Responsibility

- As we expanded in 2025, our commitment to sustainability was tested. Greenhouse gas emissions climbed to 10,522 tCO₂e, marking a 22% increase—a reflection of new facilities and bold growth. Yet, this expansion also challenged us to innovate and hold ourselves accountable.
- Our teams demonstrated discipline: eight facilities met absolute emissions targets and six met carbon intensity goals, showing that local leadership can deliver results, even as we scale globally.

Resource Efficiency

- We continued to push for greater resource efficiency. With 73% of waste diverted from landfill and a 17% reduction in water use, we proved that infrastructure upgrades and vigilance pay off. Notably, Monterrey's condensation recovery system saved 76,000 litres in just five months, a testament to practical design making a real impact.

Product Sustainability

- Our products drive our mission forward. 90% of low- and medium-voltage offerings meet or exceed top efficiency standards, reaching up to 99.5%. By ensuring 70% of North American shipments comply with the strictest regulations, we help customers reduce losses and achieve their own sustainability goals.

People & Safety

- Growth brought new challenges for our workforce, but our focus on safety and development remained unwavering. Eight sites recorded zero lost-time injuries, frequency of injuries fell, and our employees received 39,762 hours of training across the globe. Investing in leadership paid dividends, with 81% of leaders completing training.

Culture & Inclusion

- Our culture is our foundation. In 2025, representation of women in leadership grew, 89% of employees completed DEI training, and every operating country earned Great Place to Work certification, reinforcing our commitment to fairness and inclusion.

Community Impact

- Our growth became a force for good in local communities. In 2025, employees volunteered 2,121 hours, while corporate giving totaled \$447,080 CAD, advancing food security, affordable housing, environmental restoration and resilience.

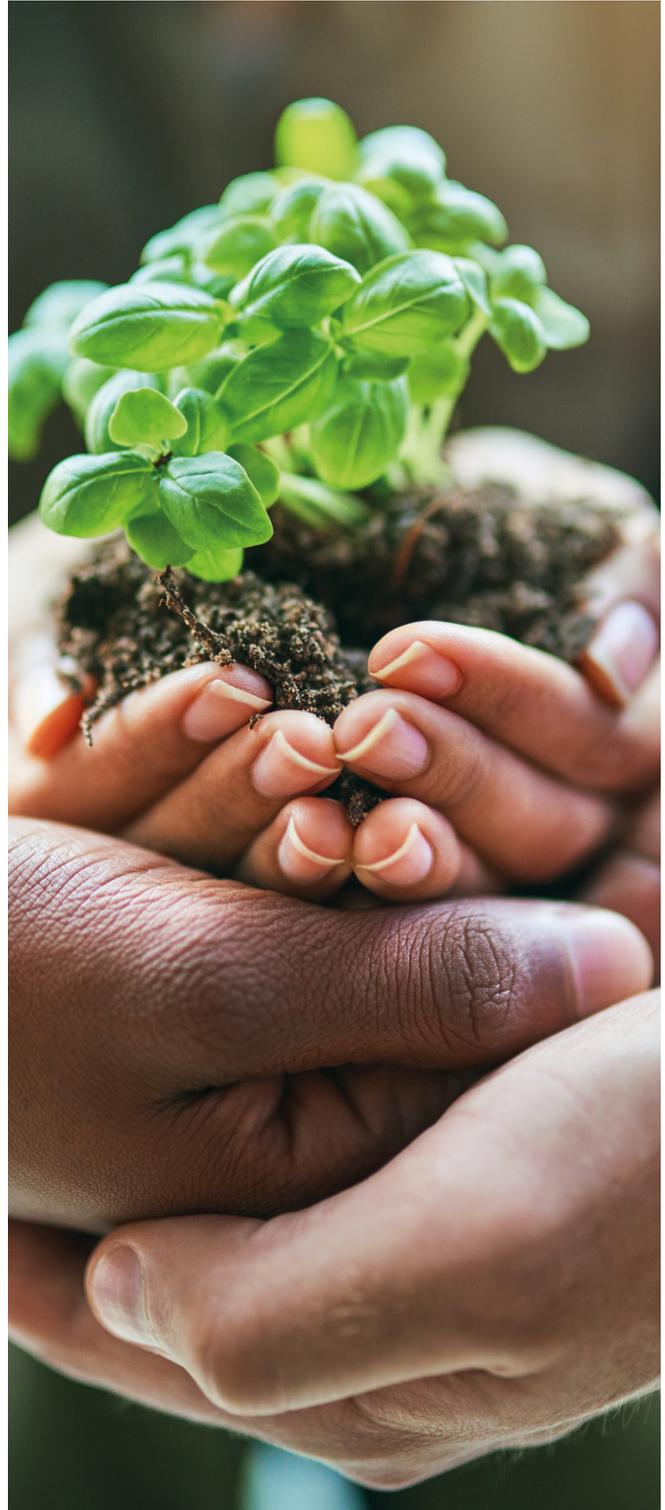
Our progress in 2025 provides a strong foundation for the years ahead. Growth will continue to shape Hammond Power Solutions, and it will be disciplined, guided by long term thinking, data, and accountability. Most importantly, our values will remain at the core of how we operate.

- We Care by prioritizing safety, wellbeing, and sustainability.
- We Do the Right Thing by being transparent and accountable.
- We Strive to Do Better through continuous improvement and innovation.
- We Win Together by growing alongside our employees, customers, and communities.

Thank you to our employees for their commitment, our customers for their trust, and our partners and communities for growing with us.



ADRIAN THOMAS
CHIEF EXECUTIVE OFFICER



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.



Our Strategic Focus



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 strategic 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.

SDG Alignment

HPS is committed to integrating sustainable development into the foundation of its business strategy and operational practices. As a result, HPS' sustainability approach is guided by the United Nations Sustainable Development Goals (SDGs) which are most relevant to the organization's operations. These goals are integrated into the organizations' five strategic pillars, shaping HPS' commitments to environmental stewardship, social responsibility, and strong governance. This structure ensures accountability, transparency, and responsible growth across global operations.

By aligning both the sustainability strategy and corporate giving with these priorities, HPS focuses its efforts on where the greatest impact can be delivered, such as advancing meaningful initiatives within its facilities, supporting its communities, and contributing to a more sustainable future. Additionally, the SDGs allow HPS to join a global initiative to address the world's most pressing issues and develop a better world for future generations.

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



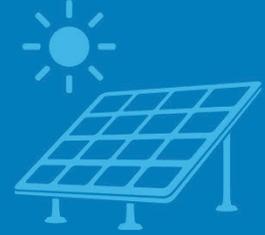
SDG SPOTLIGHT - ENVIRONMENT



Target 12.2

SOLAR PROJECT

56 solar panels installed
20.44 tons of CO2 saved per year



EMPLOYEE SHUTTLE PROGRAM



used by **780** employees

Reducing potential commuting GHG emissions by



26%



Target 11.2

SUSTAINABILITY 101 SERIES



Target 13.3

81% Completion Rate

within the first year



HVAC CONDENSATION WATER RECOVERY PROJECT



76,000 L

saved in 5 months at Monterrey Plant 4



Target 6.5

Environment

Emissions

As the world accelerates toward electrification, HPS plays a vital role in enabling this global transition. To support growing demand, we have continued to invest in expanding our manufacturing capacity, driving meaningful growth across our operations. At the same time, HPS is deeply committed to managing the environmental footprint of our activities, integrating sustainability alongside strong business performance. This commitment is embedded in our values and guides our actions as responsible corporate citizens. As we expand, we are proactively incorporating sustainable improvements into our manufacturing operations to strengthen efficiency, resilience, and long-term value.

In 2025, HPS reported total greenhouse gas emissions of 10,522 tCO₂e, representing a 22% increase

year-over-year. This change was driven primarily by strategic growth, including the addition of two manufacturing sites—a new facility in Monterrey, Mexico, and an acquired facility in Sterling, Illinois—as well as a full year of operations at Monterrey Plant 3. Together, these facilities accounted for approximately 17% of the year-over-year increase in emissions, reflecting the close link between emissions growth and our purposeful expansion. As we continue to scale in support of electrification and a more resilient energy future, HPS remains committed to advancing efficiency, innovation, and responsible growth across our global operations.

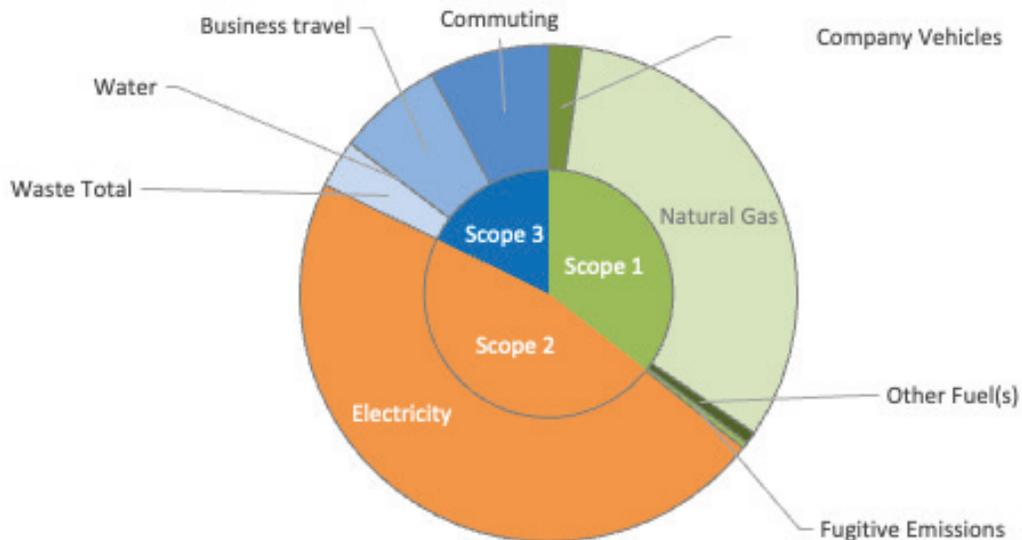


Figure 1. Global Greenhouse Gas Emission Breakdown

Environment **Emissions (con't)**

	2025	2024	2023
Scope 1	3,748	2,748	3,126
Scope 2	4,901	4,328	3,299
Scope 3*	1,873	*1,535	246
Total	10,522	8,611	6,671

*The addition of business travel and employee commuting to our sustainability metrics in 2024.

Table 1. Global GHG Emissions by Scope (tCO2e)

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.

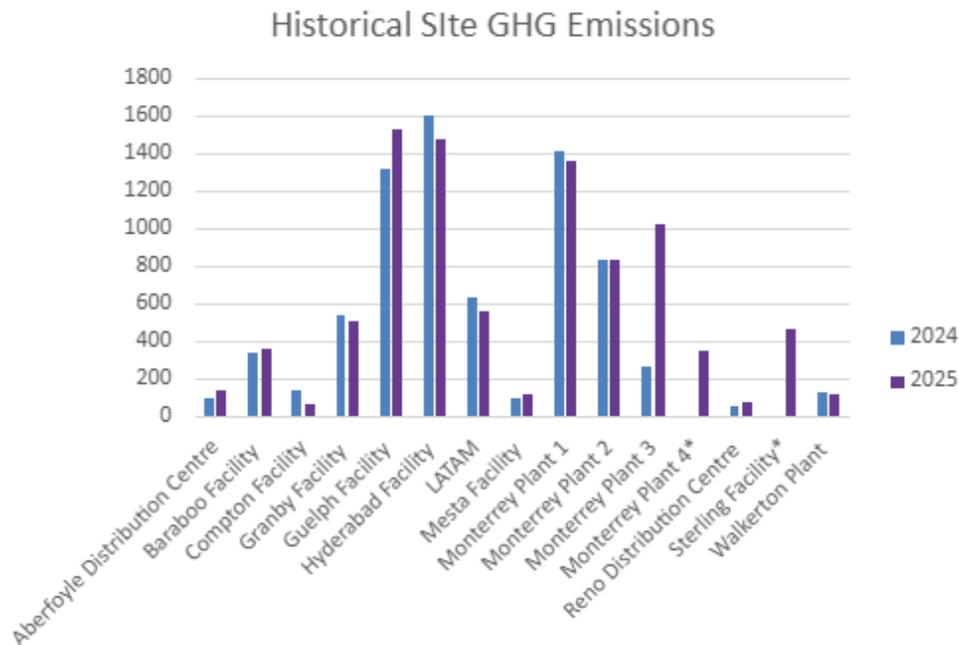


Figure 2. Historical Site Emission Comparisons (tCO2e). *Indicates a new plant

While our overall emissions did increase from 2024 to 2025 HPS still had projects underway to improve emissions where possible as evident in Figure 2 above. Our Compton facility switched to 100% renewable energy usage from the grid resulting in a 55% decrease in emissions. Our LATAM office also installed 56 solar panels onto the roof that decreased an additional 20 tCO2e. Another improvement in total emissions came

from our Guelph facility where the migration of company vehicles from gas to EV decreased emissions even further. Our Mexico facilities also transitioned to a free shuttle service for all employees to travel to work on public transport. 60% of our Mexico employee base uses this service saving an estimated 26% of potential Scope 3 employee commuting emissions.

Environment **Emissions (con't)**

Targets

In 2024, HPS established near-term emissions targets to reduce carbon intensity by 13% by 2026 and to limit absolute emissions growth to 10% over the same period. The inclusion of an absolute emissions limit was intentionally designed to reflect the realities of business growth, including facility expansions, new sites, and increasing production volumes, while ensuring the targets remained both realistic and achievable.

In 2025, emissions from the 2023 base year were recalculated to reflect the acquisition of Micron Industries as part of the HPS organization. Figure 3 provides a year-over-year view of progress against these targets and highlights HPS's achievement in meeting its first

annual emissions targets in 2024.

In 2025, increased manufacturing capacity—driven by the addition of Monterrey Plant 4 and expansions at two existing Monterrey facilities—resulted in HPS not meeting its consolidated emissions targets for the year. Despite this, performance at the site level remained strong: eight facilities met their individual absolute emissions targets, and six of those locations also achieved their carbon intensity targets.

Action plans are in place across the organization to improve overall emissions performance and support a return to the targeted trajectory in 2026.

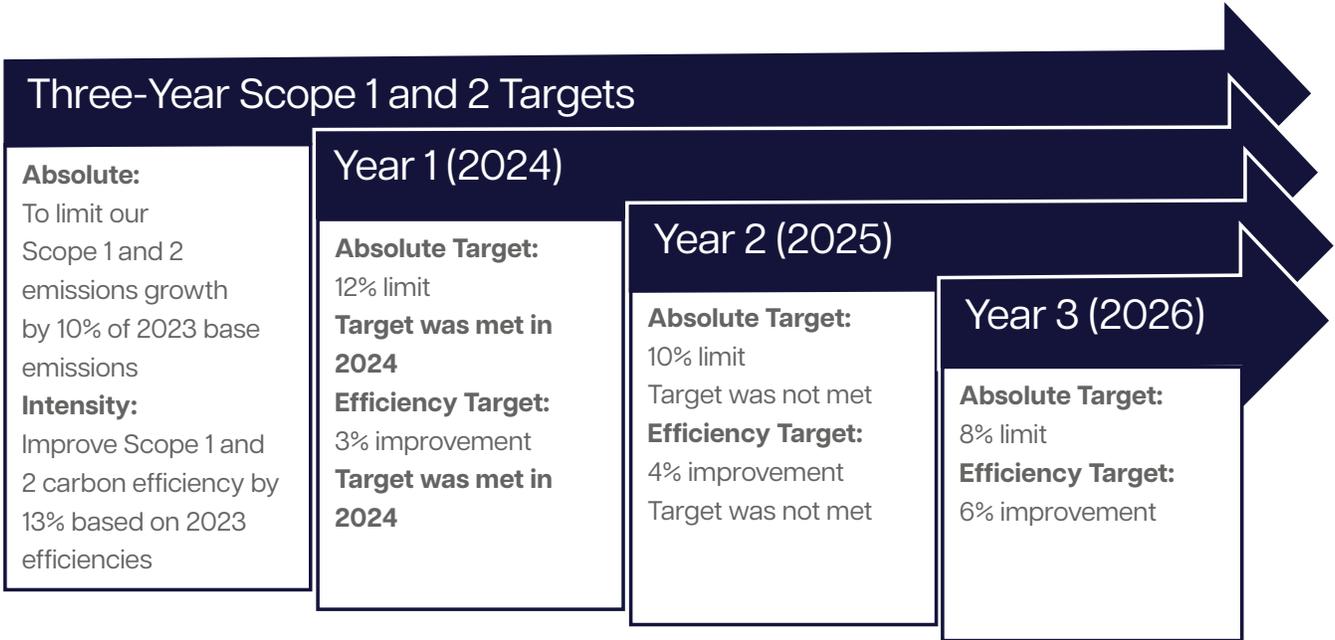


Figure 3. Breakdown of Scope 1 & 2 Near-Term Targets

Waste

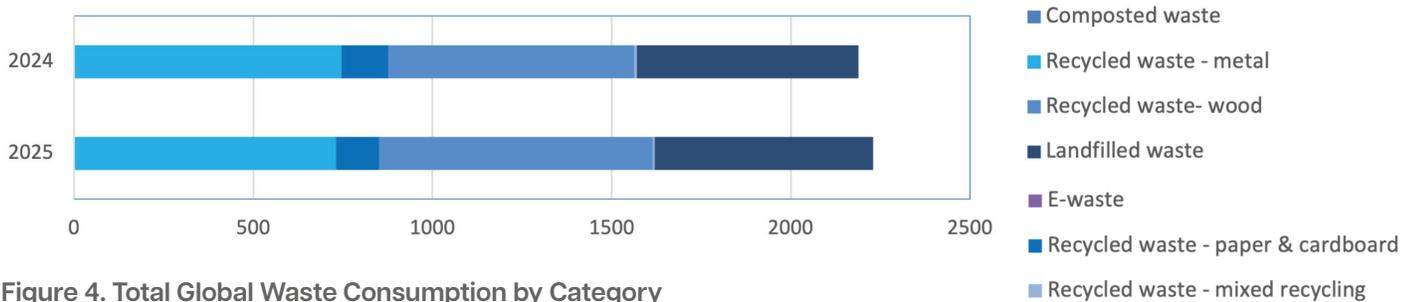


Figure 4. Total Global Waste Consumption by Category

In 2025, HPS saw a modest 1.8% increase in overall global waste compared to 2024, reflecting strong growth in production and the inclusion of additional facilities within our reporting scope (Figure 4). This increase underscores the scale at which our operations are expanding to meet rising demand.

The most notable change was an 11% increase in wood consumption, driven by higher production volumes. In response, HPS continues to advance initiatives focused on waste diversion and material reuse. These efforts include expanding recycling programs and enabling employee- and community-led donations that re-purpose wood for practical applications such as heating and building materials.

Together, these actions demonstrate our commitment to responsible resource management—ensuring that as we grow, we continue to find innovative ways to reduce waste, extend the life of materials, and strengthen our contribution to a more circular and sustainable economy

While waste consumption increased marginally in 2025, HPS achieved strong waste-diversion performance, with 73% of materials diverted from landfill through recycling, re-purposing, and reuse (Figure 5). This result reflects the effectiveness of our waste-management practices as our operations continue to grow.

Scrap metal and wood remain the most frequently recycled materials, reflecting both their high recyclability

and their importance as core inputs in our manufacturing and distribution processes. To further reduce waste at the source, several facilities are advancing initiatives focused on minimizing wood usage. These include ongoing research into skid redesigns to improve shipping efficiency and the gradual replacement of internal wood skids with more durable, reusable plastic alternatives.

In parallel with expanding recycling and increasing the use of recycled content, HPS continues to prioritize waste reduction across all locations. By reducing material consumption and partnering with community organizations to re-purpose excess resources, we are reinforcing a culture of responsible resource stewardship and advancing our commitment to a more circular and sustainable operating model.

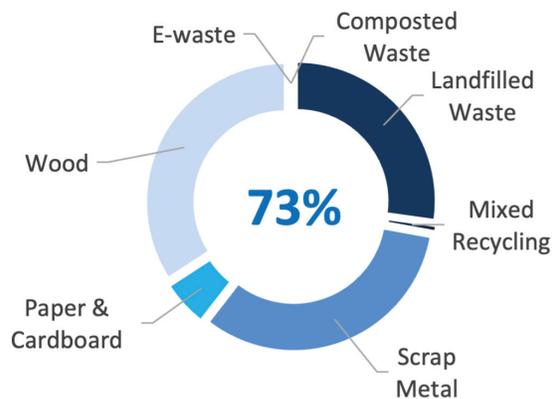


Figure 5. 2024 Waste Diversion Ratio and Waste Consumption Composition

Environment (con't)

Responsible Consumption Partnerships

For several years, HPS has partnered with the Electronic Recycling Association to responsibly manage electronic waste across our Canadian locations. Through this collaboration, unwanted electronics are refurbished and given a second life, supporting communities and organizations in need.

This partnership reflects our commitment to responsible stewardship and circular practices, ensuring that materials are reused wherever possible while advancing our mission to energize the world in a meaningful and sustainable way.

Additionally, our Granby location is currently certified by “ICI on Recycle”, recognizing the organizations proactive efforts in improving waste management practices within their operations. This facility has set a goal to advance to the next



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3rd Party Scoring Climate Disclosure Project (“CDP”)

HPS made meaningful progress in its climate performance, with our climate change score improving from a C to a B-. Water performance remained steady at a C, providing a clear baseline as we continue to strengthen our approach to water stewardship.

We will continue to monitor industry-average scores as they become available to benchmark our performance against peers and identify further opportunities for improvement as part of our ongoing sustainability journey.



Environment (con't)

Ecovadis

In 2025, HPS achieved an EcoVadis score of 53/100, reflecting continued year-over-year improvement and growing maturity in our sustainability management practices. This progress underscores our commitment to embedding environmental, social, and governance considerations into how we operate and engage across our value chain.



Environment

HPS continued to strengthen its environmental management approach through improved emissions tracking, expanded waste-diversion initiatives, increased use of renewable energy, and enhanced data quality and reporting consistency across facilities. These efforts support greater transparency and more informed decision-making as we work to reduce our environmental footprint while supporting business growth.

Labor & Human Rights

Our performance reflects ongoing investments in responsible workplace practices, supported by strengthened policies, governance, and training. Continued focus on health and safety, employee engagement, and organizational capability-building reinforces a safe, inclusive, and respectful work environment across our global operations.

Ethics

HPS maintains a strong commitment to ethical business conduct, underpinned by formalized policies, clear governance structures, and increased transparency. These measures promote accountability and integrity and reinforce ethical decision-making throughout the organization.

Sustainable Procurement

Sustainability considerations continued to be integrated into our supply-chain management practices in 2025. Expanded supplier risk assessments, clearer ESG expectations, and responsible sourcing initiatives are key initiatives to improve our performance across the value chain.

Overall, HPS's 2025 EcoVadis results demonstrate meaningful progress and provide a strong foundation for continued improvement as we further integrate sustainability into our operations, partnerships, and long-term strategy.

Water

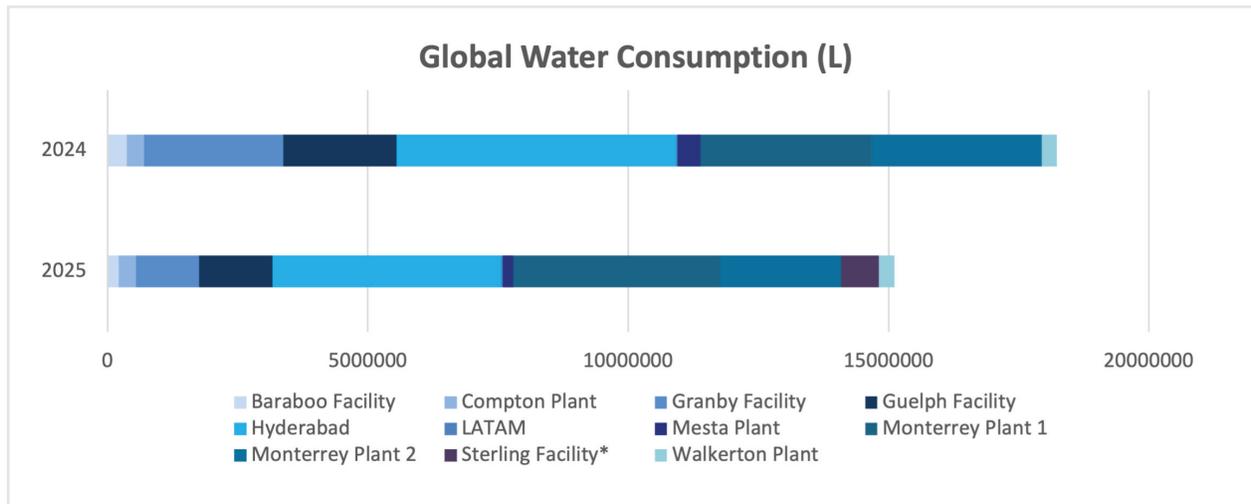


Figure 6. Global Water Consumption All Facilities

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In 2025, HPS achieved a 17% reduction in global water consumption compared to 2024, as shown in Figure 6. This improvement reflects the impact of targeted corrective actions taken after a temporary spike in water use early in the prior year, when three locations identified and addressed water line leaks. Once resolved, water consumption steadily declined and this positive trend continued throughout 2025.

With a significant portion of our operations located in regions of high baseline water stress, HPS recognizes the importance of proactive water stewardship to support our people and the communities in which we operate. While water is not used in our manufacturing processes and is limited to human consumption (such as washroom facilities and drinking water), we remain focused on identifying opportunities to conserve wherever possible.

Several facilities have implemented water-reduction initiatives, including washroom retrofits, the installation of greywater systems, and innovative reuse solutions. Most notably, Monterrey Plant 4 introduced a system to capture and recycle condensation from air-conditioning units and reintroduce it into the facility’s greywater system. Within just five months of implementation, this initiative has already conserved 76,000 litres of water, demonstrating the impact of practical, site-level innovation in advancing responsible water management.

SDG SPOTLIGHT - PEOPLE



Target 5.5

WOMEN IN LEADERSHIP

25% 2024  29% 2025



REDUCTION IN WORKPLACE INJURIES



15% FREQUENCY OF INJURY
76% SEVERITY OF INJURY



Target 3.9

INTERNAL SCHOLARSHIPS



Target 4.3

66 scholarships awarded
Total of \$59,000 in
scholarships globally



BIKE SHARE PROGRAM



10 bikes available
6150 km travelled
1.3 tons of CO2 avoided



TARGET 3.4

People

Health & Safety

Health, Safety, and Wellbeing are foundational to HPS's values, culture, and operational excellence. Protecting the safety of our employees, customers, partners, and the communities in which we operate remains a top priority, and we are committed to maintaining safe, healthy, and supportive workplaces across all locations. As an electrical manufacturer operating in a highly regulated environment, HPS complies with stringent health and safety laws, regulations, and industry standards. Our approach goes beyond compliance, supported by proactive systems and practices designed to continuously strengthen safety performance. Our Global Health, Safety & Wellbeing framework is anchored in the Environmental, Health, Safety & Wellbeing Policy and guided by a structured Plan, Do, Check, Act methodology, ensuring risks are systematically identified, assessed, managed, and continuously improved across our operations.

Robust monitoring systems track incident frequency and severity, with a strong emphasis on prevention. Near-miss and first-aid incidents are actively analyzed to identify emerging risks and implement corrective actions before harm occurs. Participation in local safety groups further supports benchmarking and alignment with industry and regional best practices.

To strengthen alignment and knowledge-sharing across the organization, HPS established a Global Health & Safety Council with representation from all regions. The

Council serves as a forum for collaboration, networking, and the sharing of best practices, while supporting the standardization and adoption of world-class safety practices across all facilities.

Strong governance underpins our safety culture through comprehensive policies, procedures, and clearly defined Standard Practice Instructions (SPIs). As an ISO-certified organization, HPS regularly reviews and updates these SPIs to ensure employees receive appropriate training, understand safety requirements, and acknowledge compliance. Ongoing health and safety training at all levels reinforces accountability and keeps safety top of mind throughout the organization.

Recognizing that emergency situations may occur despite proactive risk management, HPS maintains a comprehensive Emergency Response Plan designed to protect employees, safeguard the environment, and support business continuity. The plan provides clear guidance for a wide range of potential scenarios, including evacuations, fires, medical incidents, spills, electrical failures, natural disasters, and security-related events.

Through disciplined risk management, strong governance, and global collaboration, HPS continues to deliver measurable improvements in safety performance—reinforcing health, safety, and wellbeing as a shared responsibility and a core pillar of our ESG strategy and long-term business resilience.

	Frequency	Severity	Hours Lost as % of Hours Worked
2023	1.5	6.5	0.0261%
2024	1.7	20.6	0.0825%
2025	1.5	11	0.0440%

Table 2. Frequency and Severity Metrics. * Numbers were adjusted using updated calculation methodology.

People (con't)

Health and Safety (con't)

In 2025, HPS delivered strong safety performance across our operations, reflecting the continued effectiveness of our prevention-focused approach. Eight facilities achieved zero lost time injuries or accidents, and the organization met its overall incident frequency target for the year. Total lost time hours continued to decline, reinforcing our commitment to proactive risk management and continuous improvement.

To further strengthen our safety culture, HPS rolled out the 4 Seconds to Safety program globally. This initiative empowers employees to pause, plan their tasks, remain aware of their surroundings, maintain focus, and ensure work is performed safely—embedding safety into everyday decision-making at all levels of the organization.

“Safety is not just a metric at HPS—it is a shared responsibility and a core value that guides how we work, how we look out for one another, and how we ensure everyone returns home safely every day.”

– HPS Leadership

Beyond operational performance, our facilities reinforced safety as a core principle through employee engagement and community involvement. All locations observed the International Day of Mourning, and 152 employees from our Ontario facilities participated in the Steps for Life Walkathon, raising \$2,767 for Threads for Life. This collective effort supports families impacted by workplace tragedies and reflects HPS’s ongoing commitment to safety, care, and community.



Figure 7. The Guelph facility day shift team before participating in the “Steps for Life” Walkathon on site.

Employee Well-being and Growth

Learning & Professional Growth: HPS is committed to developing the skills, capabilities, and long-term employability of our workforce. Through the HPS Learning Centre, we provide a structured portfolio of mandatory and voluntary learning opportunities designed to enhance technical expertise, leadership capability, and professional growth across the organization. These programs support continuous learning, collaboration, and knowledge sharing, while also enabling employees to obtain and maintain professional designations that strengthen both individual careers and organizational capability.

Flexible Work Options: Supporting employee wellbeing and productivity remains a priority at HPS. Flexible work arrangements are available across many locations to help employees balance professional, personal, and family responsibilities. Remote and hybrid work options are offered where appropriate, contributing to improved work-life balance, employee engagement, and retention.

Employee Commuting & Sustainable Mobility: In 2025, HPS continued to advance initiatives that support safe, accessible, and sustainable commuting options. At our Granby facility, employees were encouraged to participate in a bike-share program in partnership with the local industrial park. In Mexico, a free employee shuttle service was introduced to support daily commuting. In addition to enhancing employee safety and accessibility, this initiative is estimated to reduce potential Scope 3 employee commuting emissions by 26%, supporting both social wellbeing and environmental performance.

Employee Ownership & Financial Participation: Eligible employees at HPS's Canadian and U.S. locations have the opportunity to participate in Hammond's stock option plan, aligning employee interests with long-term shareholder value creation. This program

supports employee engagement, shared accountability, and retention by fostering a sense of ownership in the company's continued success.

Social Connection and Community Engagement: HPS promotes a strong sense of connection and belonging through social initiatives that strengthen relationships and workplace culture. These activities also extend into the communities where we operate through employee-led fundraising and volunteer engagement. In 2025, the Guelph team hosted a charity golf tournament in support of the Home for Good Campaign, contributing to community efforts focused on addressing homelessness through housing and support services.

Partnerships with Educational Institutions: HPS partners with local colleges and universities to offer summer employment, co-op placements, and internship opportunities, supporting workforce development and future skills readiness. In addition, the company provides scholarship opportunities for employees and sponsors community-based awards, reinforcing our commitment to education, talent development, and long-term innovation.

Succession Planning and Leadership Development: Effective succession planning and leadership development are recognized as critical to long-term business sustainability. While HPS has historically benefited from low employee attrition and a highly experienced workforce, evolving demographics have increased the importance of leadership development, succession planning, and knowledge transfer. In 2025, 85% of leaders with direct reports participated in leadership development training, strengthening leadership capability and organizational resilience.

People (con't)

Employee Well-being and Growth

Training & Ethical Operations: As part of HPS's commitment to responsible and ethical business practices, updated mandatory training programs were introduced in 2025. These included IT Security training aligned with ISO 27001 (99% completion), Sustainability 101 to strengthen ESG awareness and engagement

(80% completion), and Forced Labour and Human Rights Awareness training aligned with Bill S-211 requirements (79% completion). Together, these programs support compliance, risk management, and a strong culture of accountability across security, sustainability, and human rights.

Great Place to Work

Employee engagement remained a key focus for HPS in 2025, supported by our ongoing partnership with Great Place to Work. This year marked an important milestone, as HPS achieved Great Place to Work certification in all operating countries, reflecting our commitment to creating an exceptional employee experience and a strong, values-driven workplace culture—measured directly through employee feedback. Participation in the 2025 survey reached a world-class rate of 94.3%, demonstrating high levels of trust, engagement, and employee voice across the organization.

Survey results showed meaningful improvements across several key areas, highlighting growing alignment with our ESG priorities:

- 4% increase in employees who believe HPS is a physically safe place to work
- 6% increase in employees who feel HPS actively supports ESG and sustainability practices
- 6% increase in employees who feel they are treated fairly, regardless of race, gender, or sexual orientation

Particularly notable was the improvement in our Justice score, which reached 83%, reflecting strong employee confidence in fair and respectful treatment across the organization. This represents a 3.75% increase over the prior year and reinforces continued progress in building an inclusive, equitable, and supportive workplace.

Together, these results underscore HPS's commitment to listening to our people, strengthening our culture, and fostering an environment where employees feel safe, respected, and proud to contribute to our shared success.



Diversity, Equity & Inclusion (“DEI”)

HPS is committed to cultivating a diverse, equitable, and inclusive workplace where all employees are valued and respected. 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 2025.

To advance 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.

Notable strides were made in improving gender balance, with the percentage of women in leadership positions increasing by 5% and the overall proportion of female employees rising by 2%.



Figure 8. From left to right: Mexico and Guelph teams celebrating International Women’s Day

In 2025, HPS continued to place significant emphasis on our global DEI Training Curriculum that was launched in 2024, achieving an 89% completion rate. 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.

The 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

SDG SPOTLIGHT - COMMUNITY

13 CLIMATE ACTION



Target 13.3

EARTH DAY

785 Trees Planted
136 m² of invasive species removed
359 kg of waste removed from riverbeds



FOOD FOR KIDZ



Community Members received:
17 Food Boxes
equaling ~3,672 meals

2 ZERO HUNGER



Target 2.1

CLOTHING DRIVE

10 REDUCED INEQUALITIES



Target 10.2

Over 1,200 lbs of clothing donated to the community



CHRISTMAS TOY DRIVE

265 children and 50 adults in attendance
456 toys donated
\$50,000 MEX donated to families in need

17 PARTNERSHIPS FOR THE GOALS



Target 17.17



Community

Hammond Giving Program

HPS remains driven by a strong belief in the value of community and the responsibility we share in building a sustainable future. Throughout the past year, employees have shown unwavering commitment to creating positive environmental and social change. In 2025 alone, team members dedicated **2,121 hours** to volunteer efforts, and the Corporate Giving Program supported charitable contributions and community partnerships totaling **\$447,080 CAD**.

These volunteer activities not only advanced environmental health but also deepened collaboration and purpose within our workforce. This report highlights the major sustainability and community initiatives championed by HPS, celebrating the collective actions and values that guide our organization.

Tree Planting & Stream Rehabilitation

Recognizing the critical role trees play in mitigating climate change, HPS organizes global tree planting initiatives annually with local conservation organizations. These events have garnered strong participation from both employees and community members, leading to the planting of thousands of trees over the years. Employees marked Earth Day and Environment Week

this year with several meaningful initiatives, including tree planting events, managing invasive tree species, and distributing seed balls to promote native flower growth and improve fish and wildlife habitat. Through these initiatives our facilities planted 785 trees in 2025 and removed 136 m² of invasive tree species.

River Clean-ups

The Mexico and Baraboo employees were hard at work further supporting ecosystems by clearing riverbeds of debris and landfill waste that could harm local wildlife and impede the ecosystem from thriving. Together our facilities cleaned up riverbeds with 40 volunteers at Devils Lake State Park and La Silla River Park. Teams cleared over 359 kg of waste from the riverbeds.



Figure 9. Mexico teams cleaning up La Silla River Park

Community (con't)

Community Gardens

HPS's on site community gardens have emerged as one of our most meaningful employee-led sustainability efforts. Teams of employee volunteers across Mexico, Canada, and Compton have worked together to design, cultivate, and care for these spaces, providing fresh produce for our people and the community. The raised beds were constructed using reclaimed wooden pallets from incoming shipments, extending the lifecycle of existing materials. Beyond supplying healthy food, the gardens have created inclusive spaces where employees can connect, collaborate, and deepen their awareness of sustainable gardening practices.



Figure 10. Granby facility's community garden

Eradicating Youth Homelessness

In 2025 HPS received the Leading the Way Award from the United Way of Guelph-Wellington Region. Fundraising took place for the Annual HPS Charity Golf Tournament to raise awareness and funds for The Home for Good Campaign – a campaign with a goal to eradicate youth

homelessness in the Guelph Wellington Region by 2026. HPS raised over \$35,000 in support of this program through sponsors and employee participation which led to the award recognition.

Affordable Housing

In 2025, HPS continued its partnership with Habitat for Humanity as a major sponsor and supported 2 build days and a “Women in Trades” sponsored build day. Projects supported the Speedvale Build site that will eventually be home to 48 affordable ownership units. The “Women in Trades” initiative aimed to engage local young women in exploring skilled trades while addressing the current affordable housing crisis. As a continuous sponsor, HPS is invested in empowering the next generation to advocate for affordable housing solutions and pursue careers in skilled trades.



Figure 11. Guelph volunteers at the Habitat for Humanity Build Day

Community (con't)

Community Nutrition Programs

Food insecurity has continued to be a monumental challenge throughout the world. In the U.S., 14.2% of households experienced food insecurity in 2025. In Mexico, approximately 3% of the population faces severe food insecurity while in Canada, 1 in 5 people face food insecurity, with children being particularly vulnerable. In response, HPS formed a partnership with Hambre Cero (Hunger Zero) 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 was recognized as a donor at Hambre Cero's 2nd annual forum in 2025 for our support of this important mission of feeding those in need and saving food waste where possible.

Additionally, HPS supported Esperanza Monterrey, an NGO dedicated to providing families in poverty with support to address social challenges like food insecurity,

educational support, access to clothing, and more.

In Canada, HPS continues to partner with The Children's Foundation's Keep Kids Fed at Home program, which addresses child hunger by providing take-home food packages to children facing severe food insecurity in Guelph school systems. In the USA our Baraboo team worked to support Food For Kidz: a non-profit organization that packages meals and sends them globally and locally to those in need. The HPS team packaged ~3,672 meals (17 boxes) to be sent around the world and to a food bank in Milwaukee.

In India, HPS partnered with Akshaya Patra Foundation, a non-profit focused on ending classroom hunger by providing healthy school lunches for children. Providing these lunches boosts attendance, health, and the excitement to learn amongst students. HPS supported this program through a financial contribution of \$64,312 CAD and an afternoon of HPS volunteers distributing lunches.



Figure 12. Mexico team's recognition as a donor to Hambre Cero at their 2nd annual forum



Figure 13. The Baraboo Team at the Food for Kidz meal packing event

Community Education and Wellbeing

To advance community education and promote wellbeing, HPS India partnered with Good Universe to support youth education initiatives focused on menstrual health, hygiene, water and sanitation, and climate action. HPS's contribution enabled the delivery of these programs, helping to inform, engage, and empower young people on critical health and sustainability topics. In addition, HPS supported Ashray-Akruti in 2025, an

India-based non-governmental organization dedicated to providing quality education, healthcare, and skill development opportunities for children with hearing impairments.

In total, HPS contributed CAD \$64,000 to these two initiatives, reinforcing its commitment to inclusive education and long-term social impact.

Day of Giving Campaigns

During the holiday season, Guelph and Walkerton employees packed 320 Winter Warmth Kits to support the Royal City Mission in Guelph and the Walkerton Food Bank through Kits for a Cause. These kits, containing essential items such as warm clothing and hygiene products, provided comfort to those experiencing homelessness during the harsh winter months. In addition, the Ontario and Baraboo teams participated in the annual Holiday Food Hampers and Giving Tree Toy Drive, contributing over 300 lbs of food and 156 toys.

To continue the spirit of giving in Mexico, our teams organized a community event with Esperanza Monterrey donating 300 toys to children in need within the community and donating 50,000 MEX to support Hambre Cero's mission of eradicating food insecurity.



Figure 14. The Baraboo team handing out toys for their Giving Tree Toy Drive

As we reflect on 2025, HPS is proud of the meaningful contributions made by our employees and volunteers to the communities we serve. Through our Community Impact initiatives, we continue to strengthen the connection between our organization and local communities while supporting a more sustainable and resilient world. Looking ahead to 2026, community engagement will remain a core priority for HPS. By expanding partnerships and deepening our involvement, we are committed to advancing a more sustainable, inclusive future—one where our people, our communities, and our business grow together.

SDG SPOTLIGHT - ECONOMIC



Target 4.4

YOUNG PROFESSIONALS

52 Students Hired

5.75% of USA & CAD workforce



CORRUPTION AND BRIBERY



85%

Code of conduct training completed

by **2,488**
employees



Target 16.5

FORCED LABOUR AND HUMAN RIGHTS



Target 8.7

79%

Completed Forced Child
Labour and Modern
Slavery training

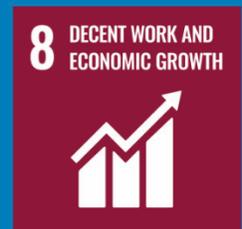


SUPPORTING LOCAL SUPPLIERS



42%

OF HPS PURCHASING
VOLUME WAS DERIVED
FROM LOCAL SUPPLIERS



Target 8.3

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. HPS pledges to operate in accordance with ethical principles and be held accountable to all stakeholders involved. To ensure compliance with applicable laws, regulations, and corporate governance frameworks, comprehensive policies and practices have been established. Additionally, HPS is dedicated to ensuring that materials are sourced from a supply chain that aligns with our commitment to social and environmental sustainability.

HPS's ESG 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 and embedding sustainability in every part of the business.

The Executive Team oversees the Company's Sustainability Committee, approves the budget for key sustainability initiatives, and fosters a culture of sustainable collaboration throughout the organization. The Company's Sustainability 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.



Figure 15. ESG Governance Structure

Economic Governance (con't)

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 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 upcoming reports, we will incorporate the regulatory requirements of the Canadian Sustainability Standards Board into our disclosures as part of the mandatory Canadian reporting.

At the Board level, various committees provide oversight of governance practices, ensuring proper 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 the 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 2025 example would be the Habitat for Humanity collaboration. Employees participated in 1 build day with more on the horizon for 2026 working with Habitat to help battle against the current affordable housing crisis in the region.

Economic (con't)

Supply Chain

At HPS, suppliers are considered 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, due to potential impact on human health, the environment, and their origins in conflict-affected regions. HPS recognizes 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’s procurement organization operates across two levels. At the production-site level, local buyers handle day-to-day sourcing and operational purchasing. The second level consists of strategic commodity managers within the Global Supply Chain organization, who oversee sourcing for company-wide, strategically important commodities.

The Global Supply Chain Team is responsible for defining supplier selection criteria, setting and reviewing minimum requirements, and training buyers.

Sustainability within HPS’s supply chain is championed by the Vice President of Global Supply Chain, the Global Commodities Director, and the Supply Chain Sustainability Specialist. Together, they work with the HPS Sustainability Team to develop actionable sustainability plans. These plans are presented to the Company's Sustainability Committee and then shared with the Executive Team for review and alignment.

Supply Chain Overview

HPS’s supply chain encompasses both direct material suppliers and indirect good and services. HPS maintains long-term relationships with approximately 500 direct material suppliers and 200 indirect/service suppliers across the globe. HPS’s operations extend across Canada, the United States, Mexico, and India, with key operational facilities located in Guelph, Granby, Compton and Monterrey where production is concentrated

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

Main location of operations	2025	2024	2023
Guelph	52%	49%	50%
Granby	33%	32%	31%
Compton	35%	35%	31%
Monterrey	47%	53%	57%

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 incorporate the 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 that

Conflict Minerals are sourced responsibly. The Supplier Code of Conduct is regularly reviewed and updated to ensure thematic relevance. This revision process took place in the reporting year. New suppliers are subject to an internal evaluation and approval process, which also requires them to share their sustainability related documents.

In 2025, the share of material suppliers by purchasing volume which have acknowledged purchase orders with clauses on social and environmental issues was 100%.

Supplier Quality Audits

The HPS Quality Management team conducts on-site visits as part of the External Supplier Evaluation Procedure to evaluate suppliers' management systems and verify evidence such as ISO certifications and production process controls. In 2025, the Supplier Assessment Manual has been developed to standardize

supplier visits, incorporating ESG and cybersecurity topics. As HPS worked to align priorities across the organization, the number of audits conducted in 2025 was limited. The Supply Chain and Quality Management teams are working together to develop competences and plan for future audits.

Human Rights Initiatives in Supply Chain

HPS is committed to ensuring that forced labor has no place in our operations or supply chain. In 2025, training was released on Forced Labor and Child Labor for HPS leadership, employees involved in recruiting and sourcing in English, Spanish, and Canadian French aimed at different employee functions. Training is mandatory for all employees and in onboarding practices, with annual completion required for office employees and bi-annual completion for production-site employees.

	2025	2024	2023
Completion Rate	79%	86%	N/A

Table 4. Completion rate for employees that have take the Forced Child Labour and Modern Slavery awareness training courses

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

Supplier Due Diligence

HPS publishes an annual Modern Slavery Statement in accordance with Canada's Bill S-211. In 2025, HPS focused on assessing the effectiveness of its 2024 supplier engagement approach rather than conducting a full refresh of its modern slavery risk assessment. The review confirmed that engagement should focus on suppliers representing 80% of total material spend.

Targeted suppliers received a Human Rights and Conflict Minerals questionnaire and were asked to provide supporting evidence. The assessment reviewed

the presence of formal policies, supply chain risk assessments, prevention and remediation measures, modern slavery training, whistleblower mechanisms, and monitoring practices. Responses were analyzed internally, and each supplier was assigned a maturity level to indicate their current alignment with HPS expectations and highlight opportunities for improvement.

In 2025, 67% of targeted supplies improved their maturity level in comparison to 2024. No cases of forced or child labor were reported.

Innovation and Service

Historically, HPS has focused primarily on transformer solutions. As market needs evolve, we continue to adapt by broadening our product portfolio to better support both new and existing customers. This expanded range enables customers to meet diverse energy requirements while improving overall energy efficiency.

As a responsible business, HPS remains committed to delivering products that help reduce greenhouse gas (GHG) emissions and support our own sustainability objectives. Today, 90% of our low- and medium-voltage offerings meet the efficiency standards established by Natural Resources Canada (NRCan) and the U.S. Department of Energy (DOE). Aligned with DOE 2016 and NRCan 2019 requirements, many of our products achieve efficiency levels of up to 99.5%, significantly reducing energy losses and associated GHG emissions.

Approximately 70% of annual North American shipments comply with these stringent efficiency regulations. Products outside the scope of these standards are typically exempt, tailored to specific customer needs (often exceeding DOE/NRCan requirements), or not economically viable to produce at higher efficiency levels—such as small control transformers. Across all product lines, our commitment remains the same: to deliver energy efficient solutions that reduce emissions, lower grid energy demand, and empower customers to make environmentally responsible choices.

HPS continues to drive innovation through advanced efficiency designs and digital solutions that modernize transformer performance. Our online Transformer Efficiency Payback Calculator demonstrates the benefits of upgrading legacy units, while our lifecycle extension solutions support both HPS and non HPS equipment. We enhance system performance through Power Quality products that reduce energy waste, and our Smart Transformers leverage IIoT connectivity to deliver real time insights. Together, these innovations enable smarter, more sustainable transformer management.

To better serve customers, HPS has also partnered with a reputable consulting firm to transform our operations into world-class processes that enable sustainable and controlled growth. This project, which began in late 2025, is specifically targeting engineering and manufacturing processes to deliver on:

- Increased engineering capacity
- Increased manufacturing capacity
- Improved ship-on-time
- Process digitization and modernization

This aligns directly with HPS's sustainability strategy of enhanced performance with fewer resources, reducing waste, improving predictability, and building resilient systems rather than inefficient labour or excess inventory. This project is not just an efficiency program; it also drives a more sustainable business.

SDG SPOTLIGHT - CONTINUOUS IMPROVEMENT

VINE PROJECT

13 CLIMATE ACTION



Target 13.1

Provide shade to the building



Reduce GHG emissions



WELDING TECHNICAL TRAINING CENTRE



188 employees now certified in welding
\$61,000 CAD in savings



Target 4.4

8 DECENT WORK AND ECONOMIC GROWTH



Target 8.2



Reduction in defects by 76%
Eliminated 2480 minutes of rework activities



WASTE OPTIMIZATION



Plastic reduction of 500lbs per year



Time savings of 20.8 hours or 48 more units/year



Target 12.5

Continuous Improvement

At HPS, the Continuous Improvement initiative is known as Transform, a program dedicated to consistently evaluating performance and refining 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. HPS offers 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 2025 HPS launched the transformation of Transform. The revamped program will now deliver a more robust approach to continuous improvement principles and ensure our global operations are better equipped with advanced problem-solving techniques. These techniques will continue to improve the efficiency and safety of operations.

2025 served as another strong year for Transform as the program continued to surpass all targets set for the year as shown in Table 5. These were truly high-quality ideas that resulted in an average savings of **\$688 per Solution** – up from \$641 in 2024 – and added **42 hours** of efficiency back into our operations. Additionally, the proportion of environmentally focused Solutions, under the Sustainability KPI, has doubled between 2024 and 2025, showcasing how HPS is starting to successfully embed sustainability principles deeper within operations.

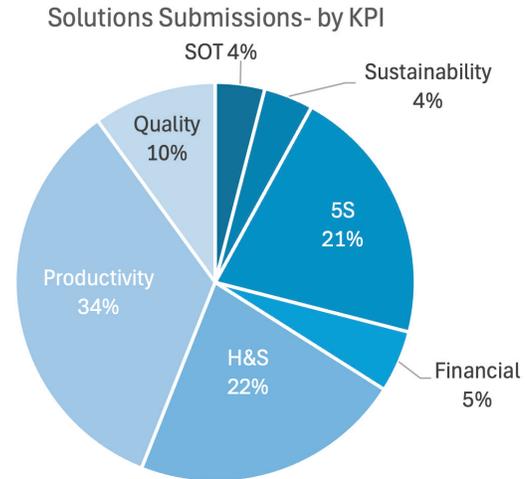


Figure 17. Chart depicting categories of solution submissions

2025 Transform Performance			
Metric	2025 Target	2025 Performance	Gap
Transform Projects	2	6	↑ 4
Number of Solutions Submitted	1,046	1,215	↑ 169
Average Number of Solutions per Location	1.6	1.85	↑ 16%
Participation Rate	47%	59%	↑ 12%
Solutions Savings	\$448,900	\$633,234	↑ \$183k

Table 5. Transform and Solution Program Target Performance 2025

Continuous Improvement (con't)

Transform Program & Share Showcase

The HPS Transform Program continues to empower employees to identify opportunities, innovate, and drive meaningful improvement across the organization. In 2025, HPS proudly hosted the 7th annual Transform Share Showcase, celebrating ideas that delivered the greatest impact across safety, quality, efficiency, sustainability, and people development. The initiatives recognized this year reflect the creativity, collaboration, and continuous-improvement mindset embedded across our operations.

Solutions Award - Granby

At the Granby facility, a cross-functional collaboration between a winder and an electromechanic led to a practical and impactful solution to address recurring alignment issues between coordination bars and bus bars. Previously, this issue affected approximately 60% of a 70-unit order, resulting in significant rework time and potential material scrap, with implications for quality and on-time delivery.

By designing and implementing alignment forks that guide proper connections during the winding process, the team eliminated the issue at its source. This solution reduced rework, improved product quality, minimized material waste, and strengthened ship-on-time performance—demonstrating how employee-driven innovation can enhance operational excellence.

Transform Award - Monterrey Plant 1 (also People Choice's Award)

The Monterrey Plant 1 operations have expanded very quickly, causing training costs to rapidly increase. With 50% of operations in the facility requiring certification, it demanded the need for quality education and training of employees. Rather than creating ancillary risks to efficiency, quality and health and safety by switching to a cheaper provider or developing external trainers, the facility decided to establish an internal technical training centre. Instructors were identified and then trained to deliver an internal training system to employees. As a result, 188 employees have received training as part of this internal system, improving quality and health and safety of our operations, and saving \$61,000 as well.

Sustainability Award - Guelph

The Guelph Finance team transformed a paper-intensive invoicing process into a fully digital solution by leveraging Adobe Pro to manage and store invoices electronically. This shift eliminated the need to print, scan, and physically store paper documents—an approach that became increasingly unsustainable as the business grew.

By transitioning to a digital process, the team reduced paper consumption equivalent to 21 trees annually, generated more than \$17,000 in labour efficiencies, and strengthened financial filing and audit processes. This initiative demonstrates how operational innovation can deliver measurable environmental benefits while improving efficiency and governance.

Together, the 2025 Transform Share Showcase initiatives highlight how employee-led innovation supports HPS's ESG priorities—driving continuous improvement, strengthening safety and quality, advancing sustainability, and investing in our people as we build a more resilient and responsible organization.

Data Performance Table

GRI STANDARDS			
Emissions & Energy Management	2025	2024	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. 2.824 t/yr 2. 0.017 t/yr 3. 0.215 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. 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	IF-EU-120a.1, GRI 305-7
Estimated total Scopes 1 and 2 (location based)	8,649 tCO2e	7,076 tCO2e	GRI 305-1
Total Scopes 1 and 2 per CAD \$ (measured per million\$)	0.000010 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: 3,405 tCO2e Coal: 0 Vehicle fleet: 225 tCO2e SF6: N/A	Fuel oil: 0 Natural Gas: 2,443 tCO2e Coal: 0 Vehicle fleet: 181 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: 4,892 tCO2e Renewable electricity: 0 District heating: 0	Grid electricity: 4,327 tCO2e Renewable electricity: 0 District heating: 0	GRI 305-2

GRI STANDARDS (con't)			
Emissions & Energy Management (con't)	2025	2024	Framework
Other relevant indirect (Scope 3 emissions) Upstream (all broken down categories) Downstream (all broken down categories)	Landfilled waste: 317 tCO2e Recycled waste: 11 tCO2e Water: 3 tCO2e Business Travel: 721 tCO2e Commuting: 822 tCO2e	Landfilled waste: 322 tCO2e Recycled waste: 47 tCO2e Water: 3.88 tCO2e Business Travel: 638 tCO2e Commuting: 524 tCO2e	GRI 305-3
Absolute GHG variation per base year	22% increase from 2024-2025	29% increase from 2023-2024 (Additional scope added)	GRI 305-5
Environmental Stewardship & Circular Economy	2025	2024	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: 15,114 m3 of water consumed 10,697 m3 of water consumed was withdrawn from groundwater % consumption in high baseline water stress areas: 71%	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%	IF-EU-140a.1

GRI STANDARDS			
Health & Safety	2025	2024	Framework
Number of medical incidents	32	22	GRI 403-9
Number of lost time accidents	9	17	GRI 403-9
Number of fatal accidents	0	0	GRI 403-9
Employee Wellness/ Composition	2025	2024	Framework
Number of employees during the reporting period and gender Total (M,F,O) Canada United States Mexico India	Total- 2,506 (1,867/638/1) Canada- 683 (489/193/1) United States-227 (139/88/0) Mexico- 1,285 (935/88/0) India- 311 (292/19/0)	Total- 2,077 (1,598/478/ 1) Canada- 649 (470/178/1) United States-127 (86/41/0) Mexico- 1,000 (756/244/0) India- 301 (286/15/0)	GRI 2-7
Organization of working time Full time Part time	Full time: 2,496 Part time- 10	Full time: 2,063 Part time- 14	GRI 2-7
Turnover by gender Total Female Male Other	Total- 25.66% Female- 6.23% Male- 19.43% Other- 0%	Total- 29.06% Female- 6.43% Male- 22.49% Other- 0.14%	GRI 401-1
Breakdown of workforce by gender (male, female, other) Total Board of directors Executive committee All management	Total- 2,506 (1,867/683/1) Board- 8(5/3/0) Exec Committee- 7 (6/1/0) All Management*: 222(172/50/0) *Excludes Exec Team, includes Supervisor, Manager, Director & VP	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	GRI 2-7

GRI STANDARDS (con't)

Employee Wellness/ Composition	2025	2024	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	52.04% (1,304 employees)	50.41% (1,047 employees)	GRI 2-30
Number of employee training hours per year	39,762	40,862.90	GRI 404-1
What is the Company's budget for annual training per employee	\$1,787,191.00	\$1,149,003.13	GRI 404-1

Stakeholder Engagement	2025	2024	Framework
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Number of communities in which Hammond Power has operations (Number)	13	12	GRI 2-6
Percentage of communities in which Hammond Power has provided financial support and / or volunteering time	90%	100%	GRI 413-1
Number of hours allocated by the company to employees for volunteering	5,000 allocated; 2,121 completed	5,000 allocated; 2,991 completed	GRI 413-1
\$ Value of monetary donations to the communities operated in	\$447,080 CAD in addition to 1000+ lbs of clothing, 320 winter warmth kits, 785 trees, 150 toys, and office furniture for a local shelter	\$322,031 CAD in addition to 50 child safety vests, used office furniture decorations, 320 comfort kits for local shelters, +1k trees planted	GRI 2-29
Percentage of Hammond Power's projects that include Indigenous partnerships	<1%	<1%	GRI 413-1

GRI STANDARDS (con't)

Stakeholder Engagement	2025	2024	Framework
Percentage of revenue that include Indigenous partners	Unknown	Unknown	GRI 413-1
Percentage of Hammond Power's employees that have completed Indigenous training	None	None	GRI 413-1

Diversity	2025	2024	Framework
Provide breakdown of workforce composition data by gender	Direct: 1,231 (951/279/1) Indirect: 713 (539/174/0) Individual contributors: 333 (199/134/0) Management: 222 (172/50/0)	Direct: 993 (790/202/1) Indirect: 595 (463/132/0) Individual contributors: 289 (184/ 105/0) Management: 200 (161/ 39/0)	GRI 405-1

Good Governance	2025	2024	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.	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.	GRI 2-23
Percentage of employees that acknowledged: <ul style="list-style-type: none"> o Code of Conduct o Health & Safety Policy 	Grand total: 85%	Grand total: 69%	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. Employees have 60 days to sign off on and complete code of conduct training.	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)

GRI STANDARDS (con't)			
Good Governance	2025	2024	Framework
Number of Independent Directors/Committee chairs	8	7	GRI 2-11
Supply Chain Management	2025	2024	Framework
Report the percentage of new suppliers that were screened using ESG criteria	In 2025 there were no new strategic suppliers.	In 2024 there were no new strategic suppliers.	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.	Modern slavery risk screening was not refreshed, leaving the risk unchanged from last year.	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	2025	2024	Framework
Gross global Scope 1 emissions, percentage covered under 1. Total energy consumed 2. Percentage grid electricity 3. Percentage renewables	39% 0% 0%	37% 0% 0%	RT-EE-130a.1
Number of customers served in markets subject to renewable portfolio standards (“RPS”)	2,948	2,823	IF-EU-110a.4
Number and aggregate quantity of reportable spills, quantity recovered	0 reported spills	0 reported spills	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	2025	2024	Framework
Total recordable incident rate ("TRIR") and (2) fatality rate for (a) direct employees and (b) contract employees	TRIR severity rate: 11 Frequency rate: 1.5	TRIR severity rate: 20.6 Frequency rate: 1.7	
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	- 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

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Transfer Agent and Registrar

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Investor Relations

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Stock Exchange Listing

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

Corporate Officers and Directors



Adrian Thomas
Chief Executive Officer
& Director



Richard Vollerling
Chief Financial Officer



John Bailey
Chief Operations Officer



Paul Gaynor
Chief Information Officer



David Kinsella
Chief Commercial Officer



Kyle Kuepfer
Chief Legal Officer &
Corporate Secretary



Catherine McKeown
Chief People Officer



Norman Bates
EVP, Group Business
Development & President,
Power Quality Solutions



William G. Hammond
Chair of the Board
& Audit Member



Frederick M. Jaques
Lead Director



Dahra Granovsky
Governance Chair



Christopher R. Huether
Audit Member



Nathalie L. Pilon
Governance Member



Anne Marie Turnbull
Human Resources
& Compensation Chair



David Wood
Audit Chair



Gregory Yull
Human Resources
& Compensation Member



EVERY TIME YOU MOVE NEARER TO YOUR DESIRED DESTINATION,
NEW HORIZONS WILL BECOME CLEAR AND NEW OPPORTUNITIES WILL
COME INTO VIEW.