

CEO LETTER

Dear Friends, Colleagues and Neighbors,

At Southwire, we deliver power to customers around the world. We lead our industry with innovations that increase profitability, efficiency and safety. But, while creating and delivering a high-quality product is important, there are several key components that solidify our position as both an industry leader and a great place to work. This collection of components (or as we like to call them, tenets) makes up our commitment to what we call sustainability and allows us to grow our deep roots as a company.

In that spirit, we are proud to present our 2015 Sustainability Report, an assessment that dives into all areas of sustainability at Southwire and unearths our most significant impacts and opportunities. The findings of this assessment detail Southwire's sustainability goals and strategies, which align with our five tenets of Building Worth, Growing Green, Living Well, Giving Back and Doing Right.

2015 was an exciting year for Southwire, highlighted by solid business results, significant gains within our sales channels, and special recognition from some of our biggest customers. Through the efforts of our outstanding team, some of our most notable accomplishments included: the successful acquisition and integration of our new facility and team in Huntersville, North Carolina; the implementation of SAP for sales and order processing; the milestone of gaining 100% of Lowe's business; our recognition as Home Depot's Electrical Supplier of the Year; the 10-year anniversary of Project GIFT; and the introduction of a harmonized total rewards platform

On a personal note, I announced my retirement and helped transition Rich Stinson as Southwire's President and CEO, which became effective on January 1, 2016. I am proudly joining the ranks of Southwire's retirees and am grateful to remain part, now as an alumni, of such a remarkable company.

I am extremely proud of all that we have accomplished throughout my career, but, above all else, I am thankful for the strong and sustainable culture we built together which will solidify Southwire's industry-leading influence for generations to come.

Sincerely,
Stu Thorn, Chief Executive Officer (2001–2015)

Performance Goal	2015 Status
BUILDING WORTH	
Deploy the Southwire Supplier Sustainability Manual throughout the supply chain with on-site audits and performance monitoring in place for 100% of key suppliers by year-end 2016.	17 of 26 of key suppliers (65%)
Incorporate sustainability principles (including reusability) into the research of at least 65% of all new R&D projects by year-end 2016.	46% of projects; 80% of spend
Improve customer efficiency by providing innovative products that improve productivity and reduce waste.	Strategy underway
Develop and implement a consistent framework that measures and improves customer experience and creates a sustainable competitive advantage by year-end 2017.	Customer experience partner selected, final approval pending
GROWING GREEN	
Implement ISO 14001 or equivalent environmental management systems at all manufacturing and warehouse locations worldwide by year-end 2020.	3 of 37 locations (8%)
Achieve zero-landfill status at all locations by year-end 2017.	22 of 53 locations (42%)
Increase energy efficiency from 2010 baseline by 10% by year-end 2020.	8% over baseline
Increase water use efficiency from 2010 baseline by 10% by year-end 2020.	26% over baseline
Provide customers with environmental impact data for our products through the development of Environmental Product Declarations for top 25 products in key markets by year-end 2018.	0%
Offer key customers recycling and/or like-kind exchange programs for processing end-of-life Southwire products by year-end 2016.	Strategy underway
Publicly report sustainability data consistent with Global Reporting Initiative (GRI).	Achieved
LIVING WELL	
Implement a certified safety management system (OSHA Voluntary Protection Program [VPP] or Occupational Health and Safety Assessment Specification [OHSAS] 18001) at all manufacturing and warehouse locations by year-end 2022.	14 of 37 locations (38%)
Achieve an OSHA Total Recordable Injury Rate for global operations of less than 1.0 by year-end 2018.	2.25
Achieve 20% reduction in contractor injury rates by year-end 2018.	1.56 (36% reduction)
Improve employee health and well-being across all Southwire locations by achieving: 1) 95% voluntary participation in biometric screenings by year-end 2017. 2) Overall employee average rating of "B" on biometric screens by year-end 2018. 3) 100% access to Healthy Choice options at all locations by year-end 2017.	1) 98% 2) C+ 3) 78%

Performance Goal	2015 Status
Invest in leadership skills and knowledge through the implementation of the following training and development initiatives: 1) 200 supervisors graduating from Leading in an OPS Culture by year-end 2018. 2) 200 managers graduating from Southwire Management Training by year-end 2018. 3) 150 senior leaders graduating from Southwire Leadership Academy by year-end 2018.	1) 50 2) 0 3) 71
Foster employee engagement through a targeted 90% voluntary participation in annual Southwire engagement survey by year-end 2017.	85%
Achieve a 40% improvement in the number of females in the workforce by year-end 2017.	22% female (5% over baseline)
Improve diversity within the "high potential" pool of future senior leadership by 20% by year-end 2017.	30% diversity (0% over baseline)
GIVING BACK	
Advance and improve educational opportunities and outcomes by working with educational institutions to achieve the following: 1) Increase graduation rates among "at risk" teenagers though 12 for Life by graduating 2,020 students from the program by year-end 2020. 2) Expand Southwire Engineering Academy to other regional locations in North America by year-end 2020. 3) Graduate first cohort from Southwire Sustainable Business Honors MBA program by year-end 2017.	1) 1,195 2) 1 3) 0
Increase volunteerism with the communities in which we operate by achieving 50% improvement in Project GIFT® Blackshirt participation across Southwire by year-end 2018.	645 volunteers (43% over baseline)
Ensure Southwire engages proper mix of charitable donations, community investments and commercial initiatives through annual benchmarking of existing practices.	CECP Survey Complete
Complete Back-to-School events at each Southwire manufacturing location by year-end 2016.	24 of 24 locations (100%)
DOING RIGHT	
Assure the accuracy and integrity of financial, environmental and safety management systems by completing annual third-party financial audits every year and environmental, health and safety audits every two years.	Complete
Implement online Code of Ethics training and conduct employee survey annually for 100% of the employee population by year-end 2015.	Completed in Q1 2016
Develop Southwire Code of Conduct policy for suppliers and contractors by year-end 2015.	To be completed in 2016
Develop and deploy Human Trafficking and Conflict Minerals Policies by year-end 2015.	Published

OUR COMPANY

At Southwire Company, LLC—one of North America's leading manufacturers of wire and cable used in the transmission and distribution of electricity—*We Deliver Power... Responsibly*® Our more than 7,000 full- and part-time employees work at 53 locations across North America, Mexico, Canada, Honduras, China and the United Kingdom. With \$4.8 billion in net sales for 2015, our products help provide power to millions of people around the world.

Electrical Division. We offer a wide variety of wire and cable solutions for the residential, commercial and institutional construction markets.

Energy Division. Our products such as overhead conductors, substation cables and insulated products for primary and secondary distribution serve the power distribution industry.

Industrial Division. We offer products that support a broad range of applications in industries such as power generation, wastewater treatment, petrochemical, mining, transportation, automotive, refineries, liquefied natural gas terminals and institutional campuses such as hospitals and universities.

OEM Division. Original equipment manufacturers use our wire, aluminum rod and copper rod in the manufacture of their own products.

Tools & Assembled Products Division. In 2014, we created this division to support customers across the company's various business units with a broad offering of Maxis® contractor equipment, hand tools and test and measurement devices.

Engineered Products & International Division. SCR® Technologies, Watteredge and TRC (Technology Research, LLC) comprise our Engineered Products Division.

A variety of industries including mining, oil and gas, industrial and commercial construction, transmission, distribution and renewable energy use our leading-edge products around the world.

To learn more about each of Southwire's divisions, visit southwiresustainability.com/about-our-company.

2015 SUSTAINABILITY SUMMARY

STRONG SUSTAINABLE SOUTHWIRE

QUESTIONS? COMMENTS?

This pamphlet presents our 2015 sustainability performance highlights. Read our full sustainability report at southwiresustainability.com. Please contact us if you have comments or questions at sustainability@southwire.com.



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OUR VISION

BUILDING WORTH

Our success depends on our customers' success. We will build worth for our shareholders, customers and other stakeholders by achieving the lowest cost, highest quality and best service in our industry. To do this, we must lead our core markets with superior products, grow steadily, spend wisely, keep debt low and protect our investments. Learn more at bit.ly/sw-building-worth.

GROWING GREEN

We will reduce our environmental footprint, even as we grow. By so doing, we will not only sustain our business, but we also will help sustain the communities in which we work and the world in which we live. Learn more at bit.ly/sw-growing-green.

LIVING WELL

We will preserve and enhance the lives of our employees by building a workplace that is satisfying, meaningful and fun. In doing so, we will make certain that safety and health are always top priorities and will treat each other with dignity and respect. Learn more at bit.ly/sw-living-well.

GIVING BACK

Our neighbors depend on us, just as we depend on them. We will strive to improve the quality of life in the communities in which we work. This goes beyond providing jobs and paying taxes. It also means giving to those in need, not only by sharing our financial resources, but also by sharing our time and talent. Learn more at bit.ly/sw-giving-back.

DOING RIGHT

We will foster a culture guided by ethical values. We will not forget to live up to those values, even when it might be difficult. And when we make mistakes, we will be transparent and responsive to our critics. Learn more at bit.ly/sw-doing-right.



BUILDING WORTH



GROWING GREEN



LIVING WELL



GIVING BACK



DOING RIGHT



Southwire delivers unparalleled innovative products and services, a practice that enables our company to flourish. We seek to continually match our customers' needs and goals. To continue our legacy of Building Worth, Southwire focuses on the following material topics, each detailed in our online sustainability report:

- **Technology & Innovation.** Investing resources in sustainable product innovation.
- **Product Responsibility.** Prioritizing sustainable attributes in products and packaging; minimizing or eliminating the use of materials with negative health impacts and maximizing reuse of materials at end of life.
- **Sustainable Supply Chain.** Sustainable sourcing and the procurement of sustainable materials for Southwire's products and processes. Includes communicating Southwire's sustainability goals with suppliers and setting clear expectations on sustainability performance through assessments and policies.
- **Industry Partnerships.** Partnering to improve access and sustainability of products and services in the industry.

SOUTHWIRE HAS MORE THAN **300 ACTIVE PATENTS**

Southwire maintains a deep commitment to growing our business in an environmentally responsible manner. We recognize that our planet's natural resources are finite and that our success depends on conscientious use of these resources. To this end, our core operations integrate environmental priorities. Southwire's online sustainability report highlights our approach to manage the following material topics:

- **Energy Usage.** Reducing energy intensity and increasing use of alternative and renewable sources.
- **Waste.** Reducing the amount of waste to landfill and increasing responsible waste management.

From 2014 to 2015, **SOUTHWIRE DOUBLED OUR ZERO-WASTE-TO-LANDFILL** locations from **11 TO 22**

At Southwire, we believe that strong, sustainable companies stem from thriving individuals. Southwire's holistic approach to Living Well focuses on the following priorities:

- **Workplace Safety and Health.** Providing a safe working environment for our employees and contractors through the elimination of hazards and the implementation of safety training, procedures and equipment.
- **Talent Acquisition and Development.** Attracting talent through Southwire's website, sustainability program, competitive benefits and general outreach; providing employees with opportunities to advance their skills, experience and career.
- **Employee Engagement.** Promoting a positive and unified culture by encouraging open communication, collaboration and employee ownership of initiatives and social programs.
- **Employee Wellness.** Making resources available to promote the health and well-being of employees.
- **Inclusion.** Creating an environment among Southwire's board and employee population where individuals from diverse backgrounds feel included and comfortable expressing varied thoughts and perspectives.

38% OF OUR MANUFACTURING PLANTS HAVE **OSHA VPP OR EQUIVALENT CERTIFICATIONS**

Southwire focuses on creating shared value—enhancing our competitiveness while enhancing the economic and social conditions in the communities where we operate. Southwire's approach to Giving Back seeks to positively affect the communities where we operate; to give time and talent in excess of financial contributions; and to benefit our customers' communities, where we can. Our Giving Back activities, therefore, center on three main areas:

- **Communities.** Providing meaningful dialogue and engagement, employment and prosperity in the communities in which Southwire operates.
- **Employee Volunteerism.** Fostering opportunities for Southwire employees to "give back" through community involvement, skills-based volunteerism and monetary giving/match programs, while providing a structure for measuring the return on investment of these efforts.
- **Charitable Partnerships and Donations.** Leveraging Southwire's resources and expertise to create a positive societal impact through partnerships and programs to provide education, products and services to those in need.

SOUTHWIRE COMPLETED **BACK-TO-SCHOOL EVENTS AT 100%** OF OUR MANUFACTURING LOCATIONS up from 56% in 2014

To ensure Southwire's financial health and longevity, we foster our commitment to ethical business practices. Doing Right underpins every aspect of our company. Southwire upholds our obligation to operate responsibly while maintaining our excellent reputation with our customers, suppliers, regulators and the communities that we serve. Through our culture, we expect our employees to live this approach daily. The Doing Right section of our 2015 online sustainability report details our approach to the following material topic:

- **Ethics and Transparency:** Ensuring education and policies are in place to promote ethical behavior, as well as the means to safely and anonymously report transgressions; reporting company performance accurately, including challenges and opportunities for improvement.

In 2015, Southwire implemented **CONFLICT MINERALS AND HUMAN TRAFFICKING POLICIES**