

# 2017 SUSTAINABILITY REPORT





## 2017 SUSTAINABILITY REPORT

# ABOUT OUR COMPANY

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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®. Headquartered in Carrollton, Ga., we have more than 7,500 full and part-time employees who work at more than 40 locations throughout the United States, Mexico, Canada, Honduras, China, the United Kingdom and the Netherlands. With approximately 2.28 billion pounds of products and \$5.5 billion in net sales in 2017, our products help provide power to millions of people around the world.

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Southwire operates 36 manufacturing plants in the United States, Mexico, Honduras and China and 11 customer service centers in the United States and Canada. We also hold growing international presence with several sales and support offices strategically positioned to serve customers in markets all over the world.

### FACILITIES MAP



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In January 2017, Southwire announced a planned closure of operations at our Flora, Illinois, manufacturing facility. Full plant operation subsided in the first quarter of 2017, and the facility continued to operate at a limited capacity until the fourth quarter. In addition, the company moved operations at the Southwire Dallas Customer Service Center in Arlington, Texas, to the company's newly acquired facility in Denton, Texas.

As the company continues to focus on efforts to accelerate growth, in December 2017, Southwire [announced](#) the expansion of our distribution facilities in the West Georgia area. Adjacent to the company's existing West Georgia and Retail East Customer Service Centers in Villa Rica, Ga., a new 400,000 square foot property is currently under development.

Southwire continues to bolster our portfolio of innovative and sustainable products to position the company for long-term growth. Following the 2016 acquisitions of United Copper Industries, Inc. (UCI) and Sumner Manufacturing, Inc., Southwire [announced](#) the acquisition of DCN Cables of Youngsville, N.C. in October 2017—an industry leader in manufacturing power whips for mission critical facilities. Through the addition of DCN Cables, Southwire now offers 24-hour turn around and an expansive, customized offering of receptacles, color choices and variable cable lengths built to fit specific customer requirements.

Learn about our organizational structure and products on the [Markets & Products](#) page. Information on our workforce is located [here](#).



2017 SUSTAINABILITY REPORT

ABOUT OUR COMPANY

# MARKETS & PRODUCTS

102-2

A leader in technology and innovation, Southwire Company, LLC is one of North America's largest wire and cable producers. Southwire and its subsidiaries manufacture building wire and cable, metal-clad cable, portable and electronic cord products, utility products, OEM wire products and engineered products. In addition, Southwire supplies assembled products, contractor equipment and hand tools, and designs and manufactures systems that produce copper and aluminum rod. To our knowledge, none of our products or services are specifically banned anywhere in the world.

Southwire's products help provide power to millions of people around the world. The Southwire brand, along with individual product brands such as SIMpull Solutions®, TAPPAN™ and SCR®, is our promise to our customers. We established a companywide branding style guide to be governed, managed and maintained by marketing teams across all business units. The guidelines also address all acquired brands as they fold into the Southwire branding structure.

102-6

To best serve customers' needs, Southwire's two business groups, Power Systems & Solutions (PSS) Group and Construction Systems & Solutions (CSS) Group, provide a centralized structure for our commitment to customers while fostering creativity and providing market-driven solutions to deliver value to our end users.

	POWER SYSTEMS & SOLUTIONS (PSS) GROUP	CONSTRUCTION SYSTEMS & SOLUTIONS (CSS) GROUP
<b>Southwire Business Units</b>	<ul style="list-style-type: none"> <li>&gt; Energy</li> <li>&gt; Industrial</li> <li>&gt; Original Equipment Manufacturer (OEM)</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Electrical</li> <li>&gt; Tools &amp; Assembled Products</li> </ul>
<b>Sectors</b>	<ul style="list-style-type: none"> <li>&gt; Energy</li> <li>&gt; Industrial</li> <li>&gt; OEM</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Residential Construction</li> <li>&gt; Institutional Construction</li> <li>&gt; Commercial Construction</li> </ul>
<b>Customer Types</b>	<ul style="list-style-type: none"> <li>&gt; Electric Utilities</li> <li>&gt; Engineering, Procurement &amp; Construction</li> <li>&gt; Transit</li> <li>&gt; Oil &amp; Gas</li> <li>&gt; Auto</li> <li>&gt; Appliance</li> <li>&gt; Rod</li> <li>&gt; Factory Automation</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Electrical Distributors</li> <li>&gt; Contractors</li> <li>&gt; DIYers</li> <li>&gt; Retail Outlets</li> </ul>
<b>Focus Area</b>	<ul style="list-style-type: none"> <li>&gt; Working with customers to provide innovative products, solutions and services that not only meet, but exceed our customer's expectations, with a foundation in R&amp;D and engineering expertise that is unparalleled in the industry</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Creating innovative products that help end users of our products and services save time, increase efficiency and, most importantly, increase safety on the job site</li> </ul>
<b>Product &amp; Service Offering*</b>	<ul style="list-style-type: none"> <li>&gt; "Made to order" approach</li> </ul>	<ul style="list-style-type: none"> <li>&gt; "In stock" products</li> <li>&gt; Material handling resources</li> <li>&gt; "Made to order" options</li> </ul>

\*The Technology & Innovation page highlights Southwire's products and services for both business groups.

A strong, integrated support function backs the company's business groups, allowing Southwire to sell across product lines more effectively and maximize the value the company brings to our customers. To support the success of these business groups, Southwire is investing in technologies to maintain and govern best business practices for marketing assets in supporting product management. These technologies allow us to be more efficient and make it easier for customers to do business with us. This is a scalable and sustainable method to support future growth.

For example, our Power Systems & Solutions Group unveiled a Customer Experience Center at the Huntersville Plant in Huntersville, N.C. The updated lobby allows visitors to journey through our company history with a focus on medium, high and extra-high voltage products.



2017 SUSTAINABILITY REPORT

ABOUT OUR COMPANY

# OUR PEOPLE

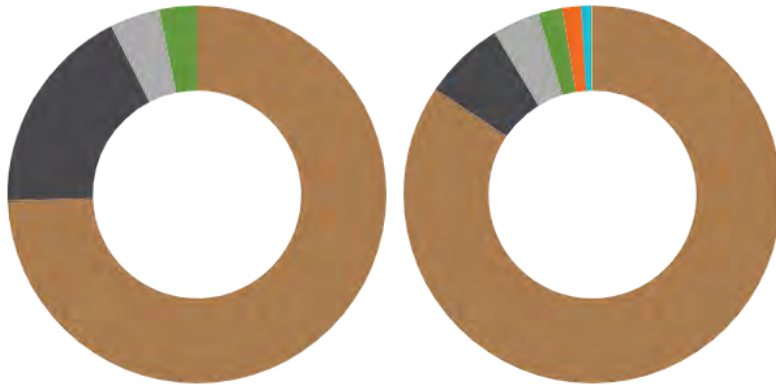
Southwire cares a great deal about our people. Our focus on Living Well means we will preserve and enhance the lives of our employees by building a workplace that is satisfying, meaningful and fun. In doing so, we will make certain that safety and health are always top priorities and will treat each other with dignity and respect. Read more about our approach to [Living Well](#).

102-41

Southwire provides a desirable workplace for its employees with fair compensation and a well-developed company culture based on a “family feel.” The majority of Southwire’s employees are full-time, hourly workers. With positive employee relations, collective bargaining agreements covered approximately 3.1 percent of our full-time employees located at our Waukegan, Ill. manufacturing operations and Pleasant Prairie, Wis. customer service center in 2017.

102-8

We compiled the data for 102-8: Information on employees and other workers through SAP SuccessFactors, which excludes employee data for Mexico, Honduras, China, the Netherlands and the United Kingdom. Therefore, breakdowns by gender and employment type do not represent Southwire’s entire population of 7,571 employees.



Male (Permanent*)	5,242 (74.47%)	United States (Permanent*)	6,390 (84.40%)
Female (Permanent*)	1,269 (18.03%)	United States (Temporary)	527 (6.96%)
Male (Temporary)	300 (4.26%)	Honduras (Permanent*)	303 (4.00%)
Female (Temporary)	228 (3.24%)	Mexico (Permanent*)	158 (2.09%)
		Canada (Permanent*)	121 (1.60%)
		Canada (Temporary)	1 (0.01%)
		China (Permanent*)	63 (0.83%)
		United Kingdom (Permanent*)	6 (0.08%)
		Netherlands (Permanent*)	2 (0.03%)

\*An employee hired to work without a specific time frame for exit



2017 SUSTAINABILITY REPORT

ABOUT OUR COMPANY

# STAKEHOLDER ENGAGEMENT

## SOUTHWIRE'S STAKEHOLDERS

102-40, 102-42

Southwire regularly engages with the following stakeholder groups: customers, suppliers, shareholders and board members, regulators, industry associations, community members and Southwire employees. We identify stakeholders through interviews with executive leadership, the Southwire environmental leadership committee, the sustainability committee of the Southwire board of directors and various other employees. We select stakeholders for engagement based on their knowledge and understanding of Southwire's overall operations, industry positions, regulatory history and community involvement.

## ENGAGING WITH STAKEHOLDERS

102-43, 102-44

### Internal Stakeholders

Stakeholder engagement—a business imperative for Southwire—occurs in many ways. We invest in numerous mechanisms to engage our employees. For material sustainability topics covered in this report, click on the links below to learn how Southwire addresses the issues our employees care about most.

APPROACH	FREQUENCY	PURPOSE	TOPICS & CONCERNS RAISED
Employee Engagement Survey	Approximately every 18–24 months; process evolving in 2018	The results of these voluntary surveys deliver a better understanding of our employees' wants and needs, allowing periodic adjustments to management systems and approaches.	<ul style="list-style-type: none"> <li>&gt; Employee Engagement &amp; Development</li> <li>&gt; Ethics, Anti-Corruption &amp; Transparency</li> <li>&gt; Financial Performance</li> <li>&gt; Inclusion</li> <li>&gt; Workplace Safety &amp; Employee Well-Being</li> </ul>
Roundtable Discussions	Monthly	Our CEO engages with employees, providing an avenue for open discussion about company successes and areas for improvement around Southwire. The discussion hosts a rotating group of 15-20 employees in various functions who meet with the CEO and other members of leadership. Feedback is gathered and discussed with senior leadership to create plans and processes for continued growth.	<ul style="list-style-type: none"> <li>&gt; Financial Performance</li> <li>&gt; Operations Topics</li> <li>&gt; Product Quality &amp; Safety</li> <li>&gt; Inclusion</li> </ul>
Town Hall Meetings	Quarterly	Our CEO conducts an in-person state of the business meeting from various Southwire locations. These video-recorded meetings stream live across Southwire. The meetings provide timely information concerning the company's overall performance while affording employees the opportunity to ask questions about specific interest areas.	<ul style="list-style-type: none"> <li>&gt; Financial Performance</li> <li>&gt; Business Plans</li> <li>&gt; Market Conditions</li> <li>&gt; Product Quality &amp; Safety</li> <li>&gt; Inclusion</li> <li>&gt; Expansion/Reduction of Operations</li> </ul>
Operational Perfection at Southwire (OPS)	Ongoing	This program drives total employee involvement in operational excellence in manufacturing. Employees participate in team activities that engage them to identify problems and implement solutions that improve our operations.	<ul style="list-style-type: none"> <li>&gt; Operations Topics</li> <li>&gt; Product Quality &amp; Safety</li> </ul>
Ethics Hotline	24 hours a day, seven days a week	The Ethics Hotline is available for employees to anonymously report unethical business practices, including violations of the Company's Standards of Business Ethics and Conduct.	<ul style="list-style-type: none"> <li>&gt; Ethics, Anti-Corruption &amp; Transparency</li> <li>&gt; Legal and Policy Compliance</li> <li>&gt; EHS</li> <li>&gt; Product Quality &amp; Safety</li> </ul>

<b>Just Ask</b>	24 hours a day, seven days a week	Via online access, paper drop box or call in, employees can ask questions and/or offer suggestions concerning Southwire policies, procedures or practices.	<ul style="list-style-type: none"> <li>&gt; Ethics, Anti-Corruption &amp; Transparency</li> <li>&gt; EHS</li> <li>&gt; Employee Engagement &amp; Development</li> </ul>
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### External Stakeholders

Southwire's external stakeholder engagement centers on employee involvement and membership in industry organizations and associations (see 102-13: Membership of associations, below) as well as various civic, environmental, health and safety organizations across our geographic footprint. Other key external stakeholder engagement opportunities include interactions with customers, suppliers and community members.

The table below shows the various methods we use to engage our external stakeholders; material sustainability topics and concerns raised link to Southwire's management approach.

STAKEHOLDER GROUP	APPROACH & FREQUENCY	PURPOSE	TOPICS & CONCERNS RAISED
<b>Customers</b>	Ongoing: <ul style="list-style-type: none"> <li>&gt; Voice of the Customer survey</li> <li>&gt; Satisfaction surveys</li> <li>&gt; User forums</li> <li>&gt; Trade shows</li> <li>&gt; Scorecard reviews</li> <li>&gt; Site visits</li> <li>&gt; Customer Support Center hotline</li> <li>&gt; Materiality assessment interviews</li> </ul>	To better align our products and services to meet customer needs.	<ul style="list-style-type: none"> <li>&gt; Product Quality &amp; Safety</li> <li>&gt; Ethics, Anti-Corruption &amp; Transparency</li> <li>&gt; Technology &amp; Innovation</li> <li>&gt; Materials</li> <li>&gt; Energy &amp; Air Emissions</li> </ul>
<b>Suppliers</b>	Ongoing: <ul style="list-style-type: none"> <li>&gt; Sustainability surveys</li> <li>&gt; On-site audits</li> <li>&gt; Meetings</li> <li>&gt; Materiality assessment interviews</li> </ul>	To best understand the risks and opportunities present throughout our value chain.	<ul style="list-style-type: none"> <li>&gt; Workplace Safety &amp; Employee Well-Being</li> <li>&gt; Financial Performance</li> <li>&gt; Ethics, Anti-Corruption &amp; Transparency</li> <li>&gt; Sustainable Supply Chain &amp; Procurement Practices</li> <li>&gt; Water &amp; Wastewater</li> <li>&gt; Technology &amp; Innovation</li> </ul>
<b>Shareholders and Board Members</b>	Quarterly: <ul style="list-style-type: none"> <li>&gt; Board meetings</li> </ul> Every 3 years: <ul style="list-style-type: none"> <li>&gt; Materiality assessment interviews</li> </ul>	To report progress on various metrics and targets, seek input and direction on key issues and address member questions and concerns	<ul style="list-style-type: none"> <li>&gt; Water &amp; Wastewater</li> <li>&gt; Energy &amp; Air Emissions</li> <li>&gt; Workplace Safety &amp; Employee Well-Being</li> <li>&gt; Product Quality &amp; Safety</li> <li>&gt; Financial Performance</li> <li>&gt; Ethics, Anti-Corruption &amp; Transparency</li> <li>&gt; Employee Engagement &amp; Development</li> </ul>
<b>Regulators</b>	Ongoing: <ul style="list-style-type: none"> <li>&gt; Pre-application meetings</li> <li>&gt; Progress updates</li> <li>&gt; Voluntary program audits</li> <li>&gt; Compliance inspections and inquiries</li> </ul>	To seek guidance on potential projects, report progress on activities and initiatives, pursue OSHA Voluntary Protection Program (VPP) certification and address potential compliance concerns and complaints	<ul style="list-style-type: none"> <li>&gt; Workplace Safety &amp; Employee Well-Being</li> <li>&gt; Water &amp; Wastewater</li> <li>&gt; Energy &amp; Air Emissions</li> </ul>
<b>Industry Organizations (see memberships below)</b>	Ongoing: <ul style="list-style-type: none"> <li>&gt; Product feedback requests</li> <li>&gt; Apprentice training</li> </ul>	To improve access and sustainability of products and services in the industry by: <ul style="list-style-type: none"> <li>&gt; Giving a voice to customers;</li> <li>&gt; Increasing awareness of our sustainable innovations;</li> <li>&gt; Assuring product safety and sustainability;</li> <li>&gt; Sharing our expertise with policy makers; and to create a sustainable workforce by fostering the success of the next generation of contractors.</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Indirect Economic Impacts</li> <li>&gt; Energy &amp; Air Emissions</li> <li>&gt; Product Quality &amp; Safety</li> <li>&gt; Technology &amp; Innovation</li> <li>&gt; Workplace Safety &amp; Employee Well-Being</li> </ul>



STAKEHOLDER GROUP	APPROACH & FREQUENCY	PURPOSE	TOPICS & CONCERNS RAISED
Community Members (Carrollton, Georgia area)	Annual: > Update meeting	Southwire's CEO hosts more than 150 community and business leaders to discuss the company's performance, future plans and community impact. This meeting enables the open exchange of questions, answers, thoughts and ideas between the community and Southwire leaders.	> Financial Performance > Community Engagement > Future Plans
Community Members	Every 3 years: > Materiality assessment interviews	To understand Southwire's greatest sustainability impacts, risks, and opportunities to make a positive impact.	> Water & Wastewater > Giving Back > Energy & Air Emissions > Operational Waste

102-13 ▾

Southwire strongly supports and participates in industry associations that champion our key customers' needs. Our engineers and leaders work to maintain and create our industry partnerships. As we engage our customers and other industry interest groups through these associations, we request feedback on our products' performance and identify needs or gaps around products or services that may or may not exist.

Southwire has trained apprentices through partnerships with the Electrical Training Alliance (ETA), National Electrical Contractors Association (NECA) and Independent Electrical Contractors (IEC). In 2017, Southwire trained more than 2,000 apprentices through sessions at ETA and NECA. Through these associations, which provide access to young, less experienced electricians, Southwire will continue to create a sustainable workforce by fostering the success of the next generation of contractors.

We proudly participate in the following organizations:

ORGANIZATION	SOUTHWIRE'S CURRENT INVOLVEMENT	SOUTHWIRE'S PREVIOUS CONTRIBUTIONS
Aluminum Association	> Health and Safety Committee > Building and Construction Committee	
American Copper Council	> Company Membership	
American National Standards Institute (ANSI)	> Member of U.S. Technical Advisory Group to ISO Technical Committee 176	> Chairman of ANSI C119 on high temperature operation of conductor connectors
ASTM International	> Advise on standards creation for bare wire products in North America	> Chairman of B01 Committee on Conductors
Canadian Standards Association	> Participate in standards development for utility wire & cable products in Canada	
Continental Automated Buildings Association (CABA)	> Platinum Board Member	
Copper Club	> Board of Directors	
Copper Development Association	> Board of Directors	> Wire and Cable Section Chair
Council for Harmonization of Electrotechnical Standardization of the Nations of the Americas (CANENA)	> THSC 20, Building Wire and Cable > THSC 20, Wire and Cable Test Methods > CSA > Type MC	> President
Electrical Manufacturers' Club	> Board of Directors	
Electrical Training Alliance (ETA) (previously called NJATC)	> Platinum Training Partner	
Electro Federation Canada	> Board of Directors	

ORGANIZATION	SOUTHWIRE'S CURRENT INVOLVEMENT	SOUTHWIRE'S PREVIOUS CONTRIBUTIONS
<b>EMerge Alliance</b>	<ul style="list-style-type: none"> <li>&gt; Help develop standards leading to the rapid adoption of DC power distribution in commercial buildings</li> </ul>	
<b>Independent Electrical Contractors (IEC)</b>	<ul style="list-style-type: none"> <li>&gt; Platinum Level Sponsor</li> </ul>	
<b>Institute of Electrical and Electronics Engineers (IEEE)</b>	<ul style="list-style-type: none"> <li>&gt; Flexible Cord and Electrical Vehicle Committee</li> <li>&gt; UL STP 62 Committee</li> <li>&gt; Industrial Ethernet Committee</li> </ul>	
<b>IEEE Industry Applications Society (IEEE/IAS)</b>	<ul style="list-style-type: none"> <li>&gt; Petroleum and Chemical Industry Committee (PCIC)</li> </ul>	
<b>IEEE Power and Energy Society (IEEE/PES)</b>	<ul style="list-style-type: none"> <li>&gt; Overhead Lines Committee, Chair and multiple working groups</li> <li>&gt; Substations Committee, multiple working groups</li> <li>&gt; Contribute to the development of wire and cable system design for overhead lines and substations</li> <li>&gt; Member of the Long Range Planning Board (LRP)</li> </ul>	
<b>Industry Data Exchange Association, Inc. (IDEA)</b>	<ul style="list-style-type: none"> <li>&gt; Chairman of the Board of Directors</li> </ul>	
<b>Insulated Cable Engineers Association (ICEA)</b>	<ul style="list-style-type: none"> <li>&gt; President</li> <li>&gt; North American cable manufacturers association writing standards for utility cable systems</li> </ul>	
<b>Insulated Conductors Committee (ICC)</b>	<ul style="list-style-type: none"> <li>&gt; Chairs, Vice Chairs and Committee Members of multiple working groups</li> </ul>	
<b>International Association of Electrical Inspectors (IAEI)</b>	<ul style="list-style-type: none"> <li>&gt; Code Panelist for IAEI Section Meetings</li> </ul>	
<b>International Cablemakers Federation</b>	<ul style="list-style-type: none"> <li>&gt; Vice President and Board of Directors</li> </ul>	
<b>International Council on Large Electric Systems (CIGRE)</b>	<ul style="list-style-type: none"> <li>&gt; Contributing Editor to the CIGRE international Overhead Lines book</li> <li>&gt; Participate in multiple overhead and underground working groups developing recommended International Grid design practices</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Convener of B2.04 WG on High Temperature Operation of Conductors</li> </ul>
<b>National Armored Cable Manufacturer's Association</b>	<ul style="list-style-type: none"> <li>&gt; Association Chair</li> </ul>	
<b>National Electrical Contractors Association (NECA)</b>	<ul style="list-style-type: none"> <li>&gt; Premier Partner</li> </ul>	
<b>National Electric Energy Testing</b>	<ul style="list-style-type: none"> <li>&gt; Founding Member</li> </ul>	
<b>Research and Applications Center</b>	<ul style="list-style-type: none"> <li>&gt; Serve on both the Advisory Committee and Board</li> <li>&gt; Advise and drive testing, research and development of application guides for utility power systems</li> </ul>	
<b>National Electrical Manufacturers Association (NEMA)</b>	<ul style="list-style-type: none"> <li>&gt; Board of Directors</li> <li>&gt; Executive Committee</li> <li>&gt; Codes and Standards Officer/Past Chair</li> </ul>	

ORGANIZATION	SOUTHWIRE'S CURRENT INVOLVEMENT	SOUTHWIRE'S PREVIOUS CONTRIBUTIONS
National Fire Protection Association (NFPA)	<ul style="list-style-type: none"> <li>&gt; NEC Code Making Panel Panelist</li> <li>&gt; Fire Protection Research Foundation</li> </ul>	
North American Association of Utility Distributors (NAAUD)	<ul style="list-style-type: none"> <li>&gt; Develop relationships between utility distributors and manufacturers</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Chairman – Supplier Advisory Council</li> </ul>
Northwest Public Power Association (NWPPA)	<ul style="list-style-type: none"> <li>&gt; Share current event topics relevant to public power entities in the Northwest</li> </ul>	
Plastic Pipe Institute (PPI)	<ul style="list-style-type: none"> <li>&gt; Share industry best practices related to the plastics industry</li> <li>&gt; Participate in standards development for conduit and underground task groups for conduit</li> </ul>	
Rocky Mountain Electrical League (RMEL)	<ul style="list-style-type: none"> <li>&gt; Share current event topics relevant to the utility industry</li> </ul>	
Society of Automotive Engineers (SAE) International	<ul style="list-style-type: none"> <li>&gt; Cable Standards Committee</li> <li>&gt; ISO TC22 SC3 WG4 USAG Automotive Electrical Cables Committee</li> </ul>	
Technical Subcommittee on Specialized Wiring Systems – C231 (ICCM06)	<ul style="list-style-type: none"> <li>&gt; CEC Task group on Application of Rule 4-006</li> </ul>	
UL	<ul style="list-style-type: none"> <li>&gt; FUS Council</li> <li>&gt; Standards Technical Panels (STP)</li> <li>&gt; Chair, 3072 Standard Group</li> </ul>	
Utility Purchasing Management Group (UPMG)	<ul style="list-style-type: none"> <li>&gt; Supplier Advisory Board Member</li> <li>&gt; Share best supply channel practices pertaining to the utility industry</li> </ul>	
Utility Supply Management Association (USMA)	<ul style="list-style-type: none"> <li>&gt; Supplier Advisory Board Member</li> <li>&gt; Share best supply channel practices pertaining to the utility industry</li> </ul>	
Wire Association International (WAI)	<ul style="list-style-type: none"> <li>&gt; Board of Directors</li> <li>&gt; Executive Committee Member</li> <li>&gt; Vice Chair of the Membership Committee</li> <li>&gt; Member of the Education Committee</li> <li>&gt; Member of the Membership Committee</li> <li>&gt; Previous WAI President, WAI First Vice President, Finance Committee Chairman</li> </ul>	
Western Mining Electrical Association (WMEA)	<ul style="list-style-type: none"> <li>&gt; Member</li> </ul>	



ABOUT OUR COMPANY

# GOVERNANCE

## GOVERNANCE STRUCTURE

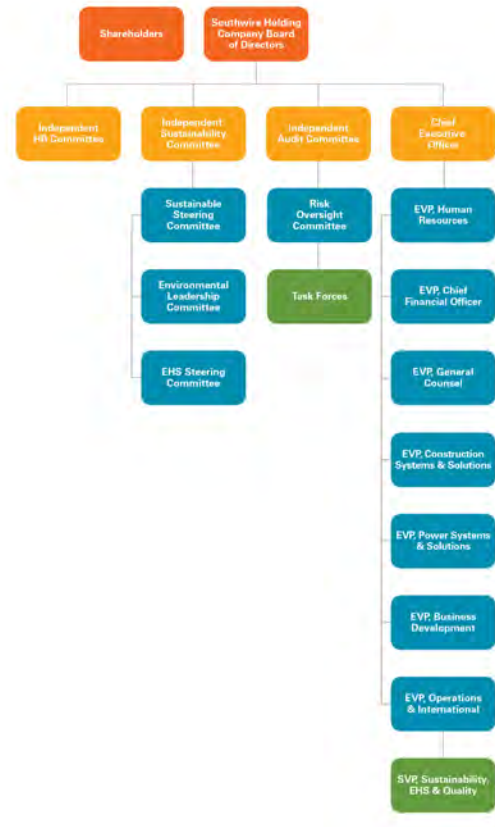
102-5

As a family-owned company, our shareholders consider potential reputational risk for themselves and their families. Southwire’s leadership team is committed to maintaining the highest level of financial and business integrity. Strong corporate governance ensures accountability and good management practices across the organization. Clear communication up and down the organization supports Southwire’s robust governance structure.

Southwire works to align our governance structure with the regulations typically imposed on publicly owned companies, incorporating a majority of independent directors on the board and requiring financial accountability. We strive to implement this model while continuing to benefit from the flexibility, confidentiality and long-term investment perspective that comes with private ownership.

Our board therefore includes 10 members: three are shareholders, one represents top management and six—a majority—serve as independent directors elected to the board by the company’s shareholders. While Southwire is a family-owned company, we take pride in our independent leadership.

## GOVERNANCE MAP



## BOARD COMMITTEES

### Independent HR Committee

To maintain the highest quality human resources policy, practices and initiatives throughout Southwire, the company has a human resources (HR) committee comprised of at least three members elected by the board of directors. The committee, which meets at least four times annually, oversees the succession and development plans for executive and senior leadership, reviews the compensation philosophy, policies, practices and benefits for executives and employees to confirm they remain equitable, competitive and consistent with the Company's philosophy. Another key aspect of the committee's responsibilities includes managing the culture and engagement policies that affect the whole company to ensure that Southwire is a respected employer of choice and an industry leader. Our [Human Resources Committee Charter](#) is available for further review.

### Independent Sustainability Committee

As a progressive private company, the Southwire board's independent sustainability committee has existed for more than a decade. This committee regularly reviews our sustainability practices and provides guidance as needed. The committee oversees broad areas of decision making affecting the company's overall sustainability including environmental affairs, customer and employee health and safety, new and innovative technologies, sustainable goal setting and adequate resource dedication to sustainability related initiatives. More information on the committee's responsibilities can be found in our [Sustainability Committee Charter](#).

### Independent Audit Committee

The Southwire Company Audit Committee meets regularly to help the board provide oversight of the quality and integrity of the company's financial statements, reporting practices and accounting policies. The committee also provides counsel to the board and management on matters, events, policies and decisions having a material financial impact on the company and shareholders. The policies the committee enacts for the board ensure regulatory compliance of reporting practices and accounting. To achieve high quality policies and reports, an open dialogue between the committee and management allows sufficient insight and information to provide advice and counsel to the management and board. To learn more, please view our [Audit Committee Charter](#).

## MANAGEMENT COMMITTEES

### Risk Oversight Committee

Our Risk Oversight Committee, with three executive sponsors, brings together 14 individuals from different functions across the company to look at risk from various perspectives. The committee meets quarterly, and information flows both up to and down from the board. Southwire forms task forces to address the greatest identified risks, such as cybersecurity, resource scarcity or product liability, including third-party loss.

### Sustainability Committee

Supporting our board's independent sustainability committee, Southwire's sustainability steering committee is led by our chief executive officer and comprised of Southwire's executive leadership team members—chief financial officer, general counsel and executive vice presidents of human resources and business development as well as presidents of our International, Power Systems & Solutions and Construction Systems & Solutions business groups. Other members include the senior vice president of sustainability, EHS & quality. This team meets quarterly, setting the overall strategy for managing the company's economic, environmental and social risks and opportunities while also monitoring the progress and alignment of the various sub-committees and groups working in this area.

Southwire's strong internal sustainability structure and culture of accountability cascade throughout our company via tactical committees and groups. Southwire's environmental leadership committee focuses on the company's environmental issues such as management of its legacy remediation liability and environmental concerns around potential acquisitions, while the EHS steering committee sets Southwire's environmental, health and safety strategy.

## COMMUNICATING WITH THE BOARD

Working teams meet regularly and report their progress through regular updates from the senior vice president of sustainability to the board. Southwire's senior vice president of sustainability, EHS & quality provides quarterly updates to the board's sustainability committee and our full board of directors regarding initiatives. The sustainability steering committee and the environmental leadership committee provide layers of executive input to inform our sustainability efforts and environmental issues.

## AUDITS

External audits can ensure business accountability. Southwire has a goal to 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. An external auditor reviews Southwire's financial statements to provide an accurate, unbiased report of the company's financial condition, helping to ensure integrity in our fiscal reporting. Because Southwire is privately owned, our financial statements are not publicly available. However, the board scrutinizes the company's financial performance carefully, with a close eye on profitability, strategy and business ethics. Read about Southwire's approach to maintaining strong financial performance [here](#).



2017 SUSTAINABILITY REPORT

ABOUT OUR COMPANY

# SUSTAINABILITY GOALS

## 2021 GOALS

Our 2021 goals deepen our sustainability efforts and strengthen our management by driving us toward higher standards of excellence. In 2016, after undertaking a benchmark of best-in-class and aspirational goals across our own industry and others, Southwire leadership developed a new bold goal and supporting metrics for each of our sustainability tenets. Further, we demonstrate alignment to the UN Sustainable Development Goals to show how our strategic priorities support the collective efforts toward global progress.

This sustainability report includes 2016 data as the baseline for these metrics, against which we will continue to track and report progress for the next four years.

2021 Growing Green Goals

Our goal to improve our operational eco-efficiency aligns with SDG 12 to “ensure sustainable consumption and production patterns.” Specifically, our efforts to send zero waste to landfill support Target 12.5: “By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.” Our goals to improve energy and water intensity support Target 12.2: “By 2030, achieve the sustainable management and efficient use of natural resources.” Learn how Southwire is responsibly managing [operational waste](#), [energy](#), [air emissions](#), [water](#) and [wastewater](#).

2021 SUSTAINABILITY GOALS & TARGETS

### ACHIEVE TOP DECILE DJSI (DOW JONES SUSTAINABILITY INDEX) PERFORMANCE IN OPERATIONAL ECO-EFFICIENCY



TARGET	2016 BASELINE	2017 STATUS
Reduce energy and greenhouse gas (GHG) emissions intensity by 15% through conservation and the use of renewable energy by 2021	Energy: 1,041 kWh/ton GHG: 0.37 MT CO <sub>2</sub> e/ton	Energy: 996 kWh/ton GHG: 0.36 MT CO <sub>2</sub> e/ton
Achieve zero operational waste to landfill status at all locations by year-end 2017 and maintain status with growth through 2021	74%	100%*
Further reduce water intensity by 10% over 2016 baseline by 2021	213 gal/ton	222 gal/ton

\*Does not include sites acquired in 2016 (Sumner and UCI) and 2017 (DCN).



**12** RESPONSIBLE CONSUMPTION AND PRODUCTION



2021 Living Well Goals

Southwire's safety goal and targets align with SDG 3 to "ensure healthy lives and promote well-being for all at all ages." Read more about how Southwire contributes to employees' good health and well-being [here](#).

## 2021 SUSTAINABILITY GOALS & TARGETS

### ACHIEVE BEST IN CLASS SAFETY PERFORMANCE AT SOUTHWIRE



TARGET	2016 BASELINE	2017 STATUS
Achieve 10X increase in injury-free event (IFE) reporting by 2021	46.8	*
Achieve 75% decrease in the total recordable injury rate by 2021	1.71	1.30 (24% decrease)
Achieve Occupational Safety and Health Administration (OSHA) Voluntary Protection Program (VPP) or equivalent certification at all sites by 2021	38%	36%**

\*New IFE reporting process in development and is targeted for completion at the end of 2018. IFE were not measured on an enterprise level in 2017.  
 \*\*In 2017, one additional site was certified; however, two VPP sites were closed.

**3** GOOD HEALTH AND WELL-BEING

2021 Giving Back Goals ▼

Southwire is widely known for our Giving Back culture and programs. We have long engaged with and supported all the communities in which we operate. We have a longer history of activity in and around Carrollton, Ga., where our operations began, and where we have an established electronic waste collection program. Our educational and environmental programs are helping to build sustainable cities and communities wherever Southwire operates. Read more about how Southwire innovates for sustainable cities [here](#) and our contributions to communities in need [here](#).

## 2021 SUSTAINABILITY GOALS & TARGETS

### ENABLE AND ENGAGE OUR WORKFORCE IN BUILDING MORE SUSTAINABLE COMMUNITIES



TARGET	2016 BASELINE	2017 STATUS
Launch environmental outreach programs in 100% of the communities in which we operate	4% of communities	4% of communities

**11** SUSTAINABLE CITIES AND COMMUNITIES

2021 Doing Right Goals ▼

Southwire's Doing Right goal aligns with SDG 16 to "promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels." We have initiatives in place to help Southwire contribute to Target 16.5: "Substantially reduce corruption and bribery in all their forms," and Target 16.6: "Develop effective, accountable and transparent institutions at all levels." By working toward these targets, Southwire will achieve external recognition as an ethical company. Read more about our programs for ethics, anti-corruption and transparency [here](#).

## 2021 SUSTAINABILITY GOALS & TARGETS

### ENSURE THE HIGHEST STANDARD OF ETHICAL BUSINESS PRACTICES WITHIN ALL OUR OPERATIONS



TARGET	2016 BASELINE	2017 STATUS
Achieve recognition on Ethisphere's World's Most Ethical Companies list by 2021	No ranking	Gap analysis completed, and action plans developed



#### 2021 Building Worth Goals

Southwire's greatest contribution to the Sustainable Development Goals comes through SDG 9 to "Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation." Development of innovative technologies and solutions is core to Southwire's culture and differentiates us from others in the industry. Our customers in the electric utility, OEM, industrial and construction sectors create and maintain infrastructure in the U.S. and beyond. By achieving our goal to develop and commercialize four breakthrough solutions to customers' sustainability challenges, Southwire will directly enable Target 9.4: "By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes." Read more about our technology and innovations [here](#).

## 2021 SUSTAINABILITY GOALS & TARGETS

### DEVELOP AND COMMERCIALIZE FOUR BREAKTHROUGH SOLUTIONS TO CUSTOMERS' SUSTAINABILITY CHALLENGES



TARGET	2016 BASELINE	2017 STATUS
10% of EBITDA (earnings before interest, taxes, depreciation and amortization) in the funnel	8%	6%
\$1 billion of incremental revenue tied to these solutions (15% of projected 2021 revenues)	\$0	Strategic plan developed identifying relevant vertical markets and adjacent/transformational strategic initiatives



\*Strategic plan developed identifying relevant vertical markets and adjacent/transformational strategic initiatives.





## 2017 SUSTAINABILITY REPORT

# ABOUT THIS REPORT

102-50, 102-52, 102-54 ▾

Southwire publishes sustainability reports annually; our current sustainability report covers calendar year 2017 for all information provided. As a private company, we proudly share our sustainability journey and progress in this report, which has been prepared in accordance with the GRI Standards: Core option.

102-49 ▾

In late 2017 and early 2018, Southwire completed our second materiality assessment. Through this process, we recategorized several topics and reorganized content covered in our previous sustainability reports. We also identified several new material topics—Water & Wastewater, Customer Health & Safety, and Financial Performance—which we cover for the first time in this report.

102-56, 102-48 ▾

To demonstrate our commitment to the Global Reporting Initiative principles for defining report quality, we had the operational eco-efficiency data for our environmental metrics (i.e., water use, waste disposal, and energy use) in this report externally assured for the first time. Because of recommendations from the third-party verification firm, we restated our 2016 data for these metrics. This 2016 data will serve as the baseline for our 2021 operational eco-efficiency sustainability targets.

102-51 ▾

We published our most recent report, covering calendar year 2016, in June 2017. Since launching our 2016 report, Southwire acquired DCN Cables of Youngsville, N.C., and has moved operations at the Southwire Dallas Customer Service Center in Arlington, Texas, to the company's facility in Denton, Texas. Other than employee headcount, no other 2017 data is included for DCN. Southwire also announced the expansion of our distribution facilities in the West Georgia area.

102-55 ▾

Our GRI Content Index for this 2017 sustainability report is located [here](#). Our UN Global Compact index can be found [here](#).

102-53 ▾

If you have any questions or comments about this report, please contact Jeff Herrin, Senior Vice President, Sustainability, EHS & Quality at [sustainability@southwire.com](mailto:sustainability@southwire.com).



## 2017 SUSTAINABILITY REPORT

### ABOUT THIS REPORT

# CEO LETTER



Dear Friends, Colleagues and Neighbors,

At Southwire, we work hard every day to discover, develop and distribute sustainable solutions that exceed the expectations of our stakeholders around the world. In doing so, our goal is simple: We want to go from good to great. We continue to build on our nearly seven decades of rich history by looking to the future—a future where needs will be met through high-end systems and solutions, and a future guided by the technologies, forces and trends shaping our industry.

In that spirit, I am proud to present our 2017 Sustainability Report. Like the reports we've launched in the past, this assessment covers all areas of sustainability at Southwire and covers our most significant impacts and opportunities. These findings detail our sustainability goals and strategies, which align with our five tenets—Growing Green, Living Well, Giving Back, Doing Right and Building Worth.

As you may recall, we launched a revitalized set of goals in 2017, accompanied by a new, beautifully designed logo and refreshed priorities for the next five years. Introduced in last year's report, we are pleased to report our first year's progress for these new goals.

For the 2017 report, we also conducted an updated materiality assessment to guide our focus on the sustainability topics most significant to our business and our stakeholders. The [Materiality](#) page details this process. You will see these topics expanded further as you review the report.

As you begin to review the 2017 report, I'd like to share a few key highlights from the year:

**Safety**

I've reiterated many times that there is nothing more important at Southwire—no order, no job, no efficiency—than the people who work here. We continue to find ways to remove variability from our processes, develop new ways to stay safer on the job, and this year, welcomed an additional facility to our list of Occupational Safety and Health Administration (OSHA) Voluntary Protection Program (VPP) Star sites. It has taken the commitment of each employee to reach the level of improvement we have seen, and it will continue to take all of us as we strive toward zero injuries at Southwire. Moving forward, this same theme will be tied to our quality metrics and efforts to put forth our very best when it comes to our products, solutions and services.

**UN Global Compact**

Supporting our commitment, we signed the UN Global Compact in July of 2017, becoming one of more than 12,000 signatories in 170 countries who are working to take actions that advance societal goals. To be a company that can sustain itself through many generations, it is important to align with these initiatives so that our communities around the world continue to prosper and thrive.

**Business Success**

Key business wins for 2017 include the grand opening of the Thorn Customer Solutions Center, the acquisition of DCN Cables, growth in our customer relationships, record-setting production in many of our facilities and much more. Guided by our ONE Southwire approach, we've developed a clear, structured five-year strategic plan that will help lead us toward continued growth in the future.

**Inclusivity**

Much consideration goes into the value of our culture and making Southwire a great place to work. We set forth many new initiatives over the past year, highlighted by the introduction of a formalized inclusivity program and the growth of our employee resource groups. We've also taken significant steps in the realm of performance management and learning, and we are continuing to grow in these areas as we move ahead.

**Community**

And, as we think about our commitment to Giving Back, I continue to be amazed by the generosity of our people and our Project GIFT teams in the places we work, live and serve. In 2017, our 900+ Project GIFT volunteers participated in over 200 events, providing relief in the wake of five natural disasters, giving out more than 22,000 bags of school supplies and much more. We were also able to assist hundreds of employees through grants from the POWER Fund. Also in the spirit of community, we celebrated a decade of 12 for Life, the institution of our maintenance apprenticeship program and many other strides through our community partnerships and efforts to help develop the workforce of tomorrow.

As I've said before, it is our priority that Southwire remains generationally sustainable for the next 100 years and beyond. I am incredibly proud to lead this great organization, made up of now more than 7,500 talented people across the globe that are working together to ensure we remain an industry and community leader for years to come.

Sincerely,



Rich Stinson



2017 SUSTAINABILITY REPORT

ABOUT THIS REPORT

# MATERIALITY

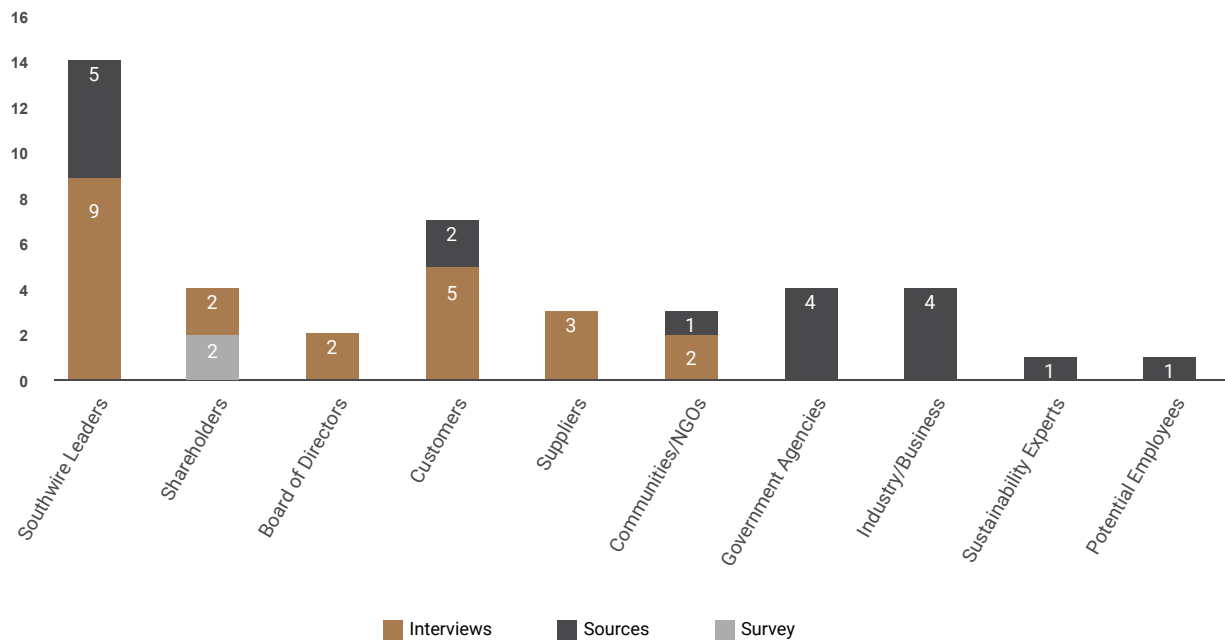
## MATERIALITY ASSESSMENT

102-46

In 2017 and early 2018, Southwire conducted our second materiality assessment to identify, assess and prioritize the sustainability topics most significant to our business and our stakeholders. This assessment followed Global Reporting Initiative (GRI) guidelines.

- 1. Identification.** Industry research and a benchmarking analysis of competitors, customers, suppliers, aspirational peers, company documents and third-party reports identified the universe of relevant topics. Through an impact mapping session with Southwire subject matter experts, we narrowed this list to 23 topics for prioritization—including eight topics not included in our 2014 materiality assessment.
- 2. Prioritization.** Following the GRI principle of Stakeholder Inclusiveness, we interviewed 23 internal and external stakeholders, including senior Southwire leaders, shareholders, members of Southwire’s board of directors, customers, suppliers and representatives of communities/NGOs. The GRI Materiality Principle guided interview questions, which ascertained Southwire’s impact on the environment, society and economy; the greatest risks and opportunities for Southwire’s business; and influence on stakeholders’ decision-making. Through this process, two additional topics surfaced. We supplemented the interviews with 18 additional sources of information relevant to Southwire and our industry.

## MATERIALITY RESPONDENTS



- 3. Validation.** Southwire’s executive leadership team reviewed the materiality assessment findings. After discussion of the process and results, the group confirmed the material topics.



<p><b>Water &amp; Wastewater</b> (Increased from Tier 2) <a href="#">VIEW TOPIC</a></p>	<p>Controlling water usage in manufacturing facilities and office spaces by monitoring total withdrawal by source and using recycled or lower quality water whenever possible; managing water quality by reducing the release of chemical and physical contaminants into bodies of water such as rivers, streams and lakes; and minimizing spills and releases</p>	<p>Southwire – Manufacturing operations External – Suppliers (metals, compounds, chemicals/additives)</p>	
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**LIVING WELL**

<p><b>Employee &amp; Labor Relations</b> (New Topic)</p>	<p>Engaging in fair labor practices and work conditions for all employees; providing communication mechanisms related to employee relations; and supporting employees’ rights to freedom of association and collective bargaining</p>	<p>Southwire – Manufacturing operations (Waukegan), customer service centers (Pleasant Prairie)</p>	
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<p><b>Employee Engagement &amp; Development</b> <a href="#">VIEW TOPIC</a></p>	<p>Providing employees with opportunities to advance their skills, experience and career through training, personal development programs and plans, coaching and more</p>	<p>Southwire – All locations</p>	
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<p><b>Inclusion</b> <a href="#">VIEW TOPIC</a></p>	<p>Creating an environment among Southwire’s board and employee population where individuals from diverse backgrounds (ethnic, cultural, generational, economic, etc.) feel included and comfortable expressing varied thoughts and perspectives</p>	<p>Southwire – All locations External – Board of Directors</p>	
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<p><b>Talent Attraction</b> <a href="#">VIEW TOPIC</a></p>	<p>Attracting talent through Southwire’s sustainability program, competitive benefits (i.e., Total Rewards) and general outreach; and promoting a positive and unified culture by encouraging open communication, collaboration and employee ownership of initiatives and social programs</p>	<p>Southwire – All locations</p>	
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<p><b>Workplace Safety &amp; Employee Well-Being</b> <a href="#">VIEW TOPIC</a></p>	<p>Providing a safe workplace for our employees and contractors through the elimination of hazards and the implementation of safety training, systems and equipment; making resources available to promote the physical, emotional and financial and well-being of employees</p>	<p>Southwire – All locations External – Contractors</p>	
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**GIVING BACK**

<p><b>Charitable Partnerships &amp; Donations</b></p>	<p>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</p>	<p>Southwire – Corporate (Media and Community Relations) External – nonprofits and educational institutions in the communities where Southwire operates and sells our products</p>	
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<p><b>Communities</b> (Decreased from Tier 1)</p>	<p>Evaluating impacts and providing meaningful dialogue and engagement, employment and prosperity in the communities where Southwire operates</p>	<p>Southwire – All locations External – Communities where Southwire operates</p>	●						●	●		
<p><b>Employee Giving &amp; Volunteerism</b></p>	<p>Fostering opportunities for Southwire employees to “give back” through community involvement, skills-based volunteerism and grant programs</p>	<p>Southwire – All locations External – communities where Southwire operates</p>										
<b>DOING RIGHT</b>												
<p><b>Anti-Competitive Behavior</b> (New Topic)</p>	<p>Implementing policies and standards to prevent unfair competition</p>	<p>Southwire – Corporate (sourcing), sales offices, international locations External – Board of Directors, outsourced agencies</p>										
<p><b>Ethics, Anti-Corruption &amp; Transparency</b> <a href="#">VIEW TOPIC</a></p>	<p>Ensuring policies, communications and training are in place to promote ethical behavior (e.g., anti-corruption, bribery, extortion, money laundering, fraud and tax evasion); operating an internal audit program; maintaining a whistleblower policy and other means to safely and anonymously report transgressions; and providing accurate and transparent reporting regarding company performance, challenges and opportunities for improvement</p>	<p>Southwire – All locations External – Suppliers, Customers</p>	●	●	●	●	●			●	●	
<p><b>Marketing &amp; Labeling</b> (New Topic)</p>	<p>Accurately disclosing product components and content that may produce negative environmental or social impact; and providing information on safe product use and disposal</p>	<p>Southwire – Corporate (sales, marketing, legal); customer service centers External – Suppliers (manufactured products); customers (OEMs, retailers, EPCs, transit); end users (DIYers, contractors, consumers)</p>										
<p><b>Public Policy Practices</b> (New Topic)</p>	<p>Thoughtfully participating in discussions to shape policy and ensuring third-party/trade spending aligns with Southwire’s values</p>	<p>Southwire – Corporate (government affairs, legal, marketing)</p>										
<p><b>Sustainable Supply Chain &amp; Procurement Practices</b> <a href="#">VIEW TOPIC</a></p>	<p>Ensuring a stable, low-cost materials supply; practicing ethical sourcing requiring current and prospective suppliers to adhere to strict guidelines regarding forced labor, child labor, sexual harassment, and workplace health and safety; factoring human rights, supplier diversity and location considerations into our supplier selection process; evaluating supplier performance through surveys and on-site audits for environmental, social, governance and quality management systems; and adherence to all applicable import laws</p>	<p>Southwire – Corporate (Sourcing) External – Suppliers (all); logistics (inbound and outbound)</p>	●			●	●			●		

## BUILDING WORTH

<p><b>Climate Change</b> (Increased from Tier 3)</p>	<p>Evaluating the financial implications, risks, and opportunities due to climate change; and increasing resilience to the effects of long-term and extreme weather events on Southwire and our customers</p>	<p>Southwire – Corporate (product design, marketing, legal, quality, sales), manufacturing operations External – Shareholders; suppliers (all); inbound logistics; customers (all)</p>											
<p><b>Customer Experience</b> (New Topic)</p>	<p>Listening to and observing our customers to fully understand their needs; developing a value proposition reflective of each customer group; providing exceptional customer service and building long-term customer relationships; and educating customers, contractors and end users on safe and effective use of Southwire products</p>	<p>Southwire – Sales, Marketing, Product Development, Customer Service External – Customers (all); end users (all); industry associations/apprentices</p>		●									
<p><b>Financial Performance</b> (New Topic) <a href="#">VIEW TOPIC</a></p>	<p>Focusing on business continuity planning, wise allocation of capital, resource and process efficiency, and delivery of superior products to drive strong long-term financial results</p>	<p>Southwire – All locations External – Shareholders; suppliers; communities where Southwire operates</p>	●	●	●		●						
<p><b>Indirect Economic Impacts</b> (New Topic)</p>	<p>Affecting the economic well-being of communities throughout Southwire's value chain (e.g., economic impacts from the use of Southwire's products and services and jobs supported in the supply or distribution chain)</p>	<p>External – Communities where Southwire's suppliers or customers have presence</p>								●			
<p><b>Product Quality &amp; Safety</b> (New Topic) <a href="#">VIEW TOPIC</a></p>	<p>Paying special attention to product design, installation methods and use and integrating solutions to enhance customer and user productivity and safety; providing product/service warranties; and proactively informing customers in the unlikely event of a product recall</p>	<p>Southwire – Corporate (product design/R&amp;D, communications), manufacturing operations External – Customers; end users</p>	●	●	●	●							
<p><b>Technology &amp; Innovation</b> <a href="#">VIEW TOPIC</a></p>	<p>Allocating funds to research and development, creation of new technologies and eco-friendly products, investment into defining new areas for product growth, and improving access and sustainability of products and services in the industry</p>	<p>Southwire – Corporate (product design, marketing, IT, legal, HR); manufacturing operations, customer service centers, sales offices External – customers (all); end users (all)</p>	●	●	●	●	●		●			●	

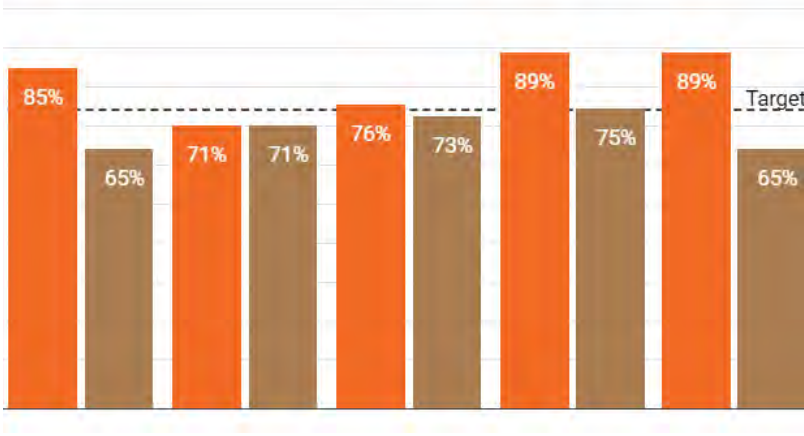




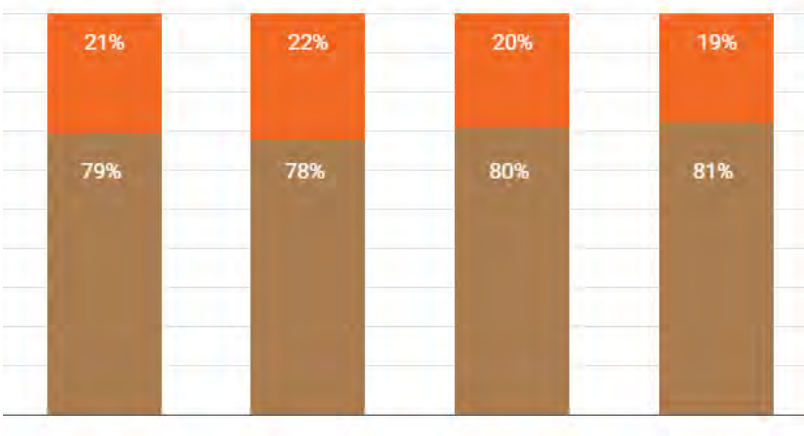
2017 SUSTAINABILITY REPORT

SOUTHWIRE HIGHLIGHTS

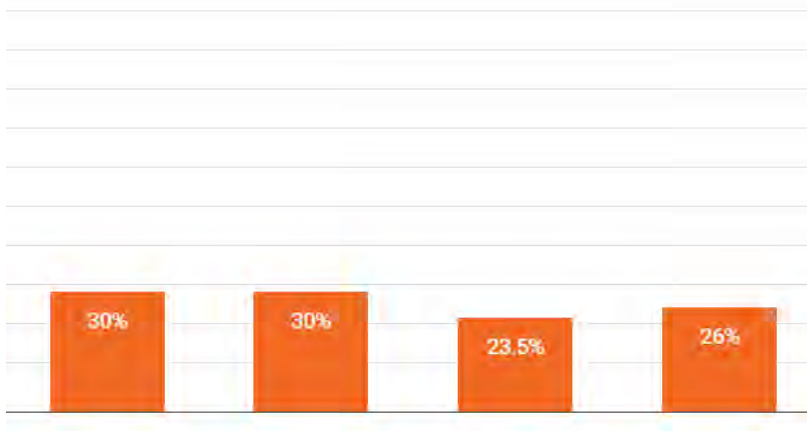
# METRICS AT A GLANCE



Employee Engagement



Permanent Employees by Gender



Diverse Candidates



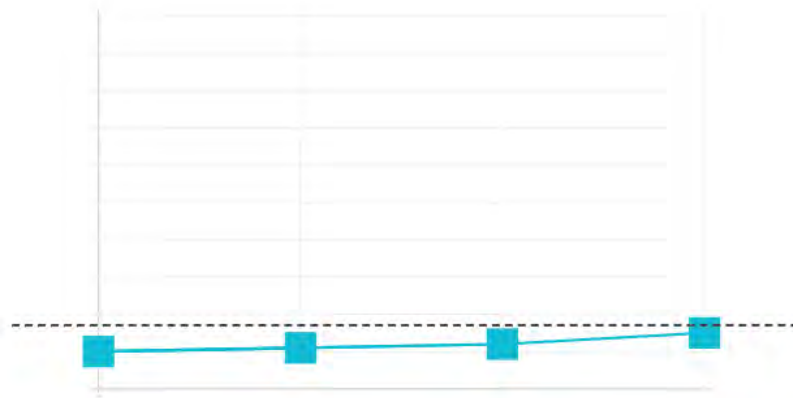
Recyclable Wooden & Steel Reels Returned



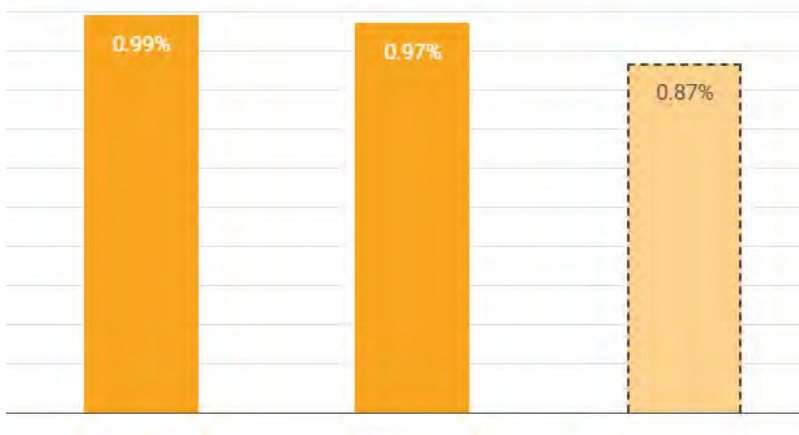
Recyclable Reels Returned (Percentage of Total Wooden & Steel Reels Shipped)



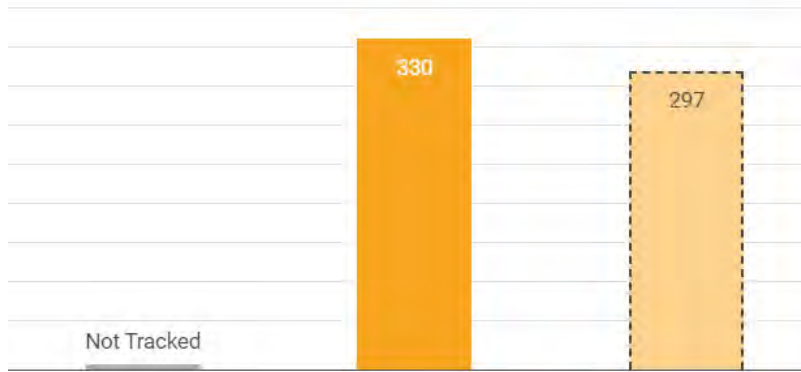
Spend on Diverse Suppliers (Millions of Dollars)



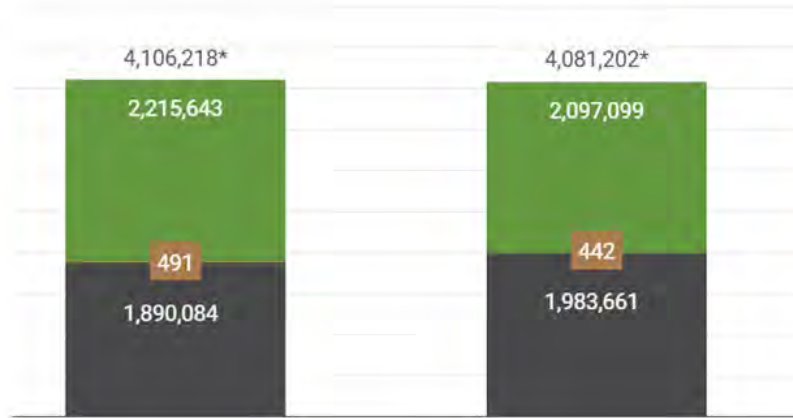
Diverse Suppliers (Percentage of Supplier Base)



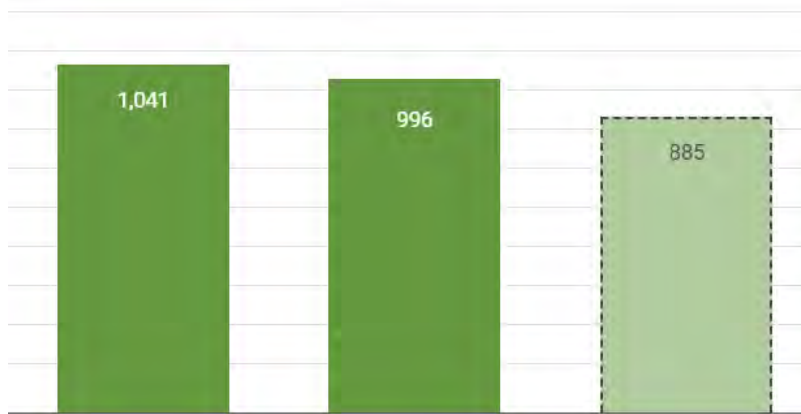
Quality Related Credit & Return Dollars (Percent of Gross Revenue)



**External Non-Conforming Parts: Wire & Cable (Parts per Million Feet)**



**Energy Consumption Within the Organization (GJ)**



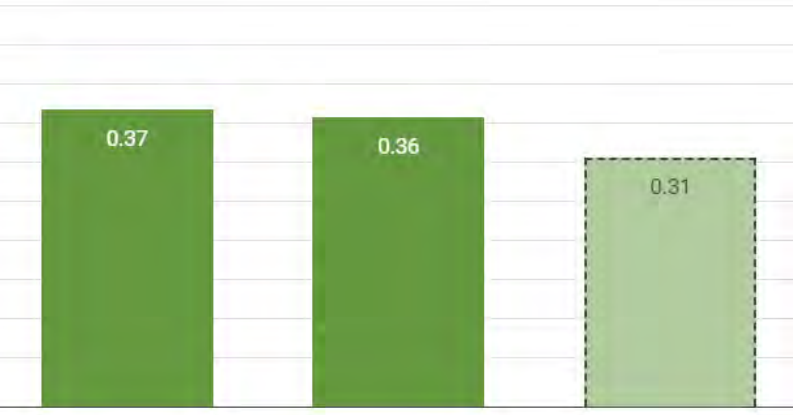
**Energy Intensity (kWh/ton)**



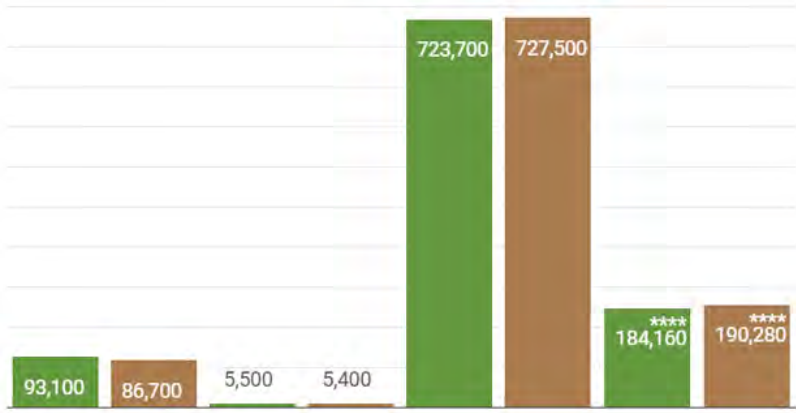
Gross Direct (Scope 1) GHG Emissions (metric tons of CO<sub>2</sub>e)



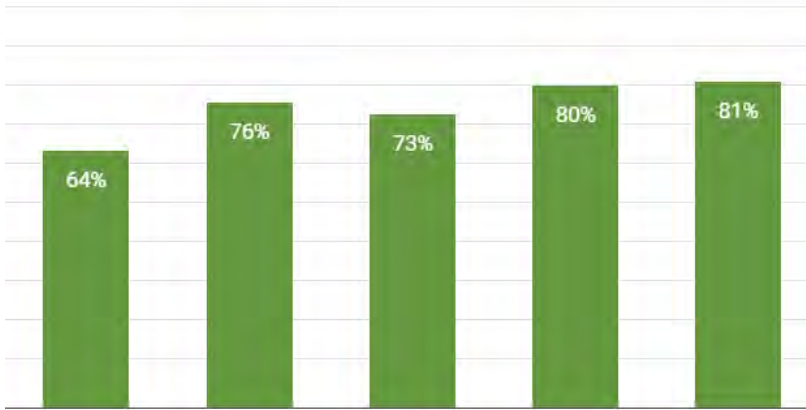
Energy Indirect (Scope 2) GHG Emissions (metric tons of CO<sub>2</sub>e)



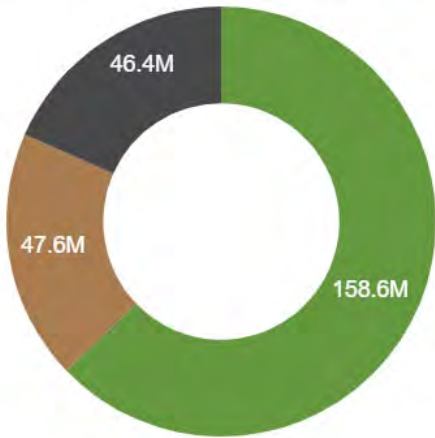
GHG Emissions Intensity (Scope 1 & Scope 2) (metric tons of CO<sub>2</sub>e/ton)



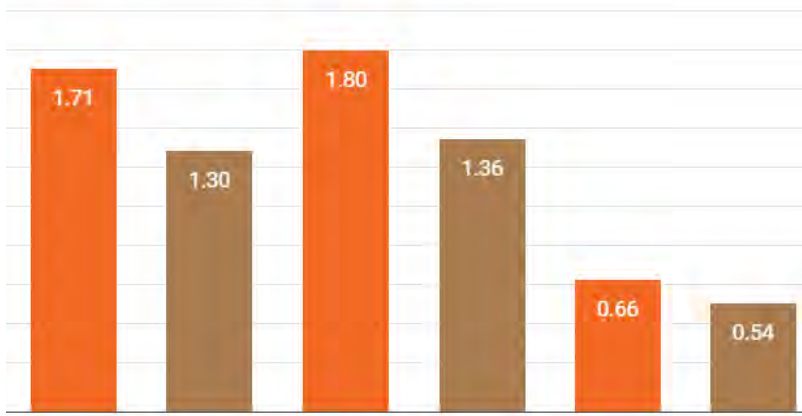
Significant Air Emissions (Kilograms)



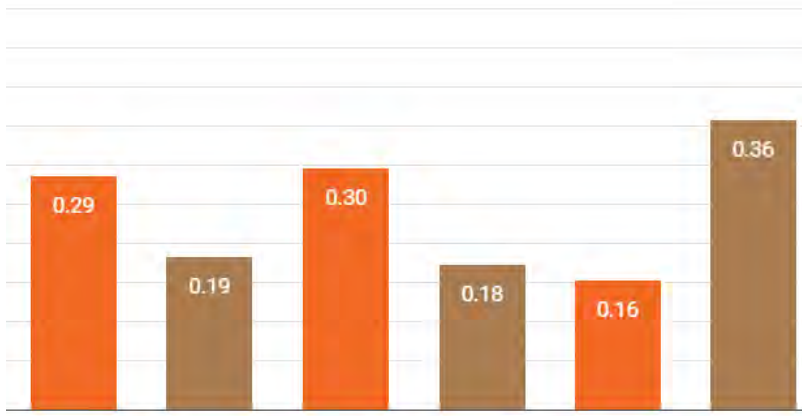
Freight Spend with Smart Way Carriers



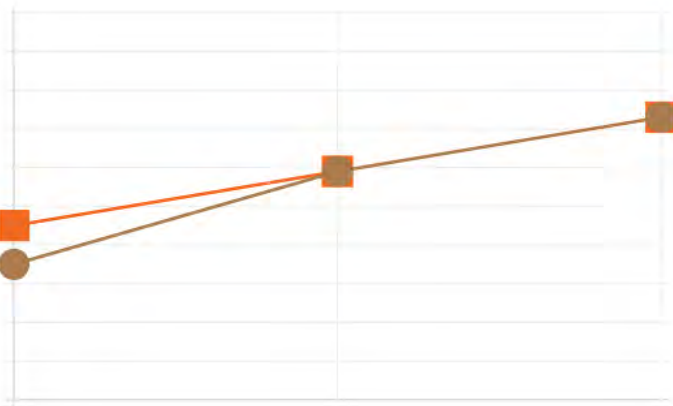
Water Withdrawal by Source



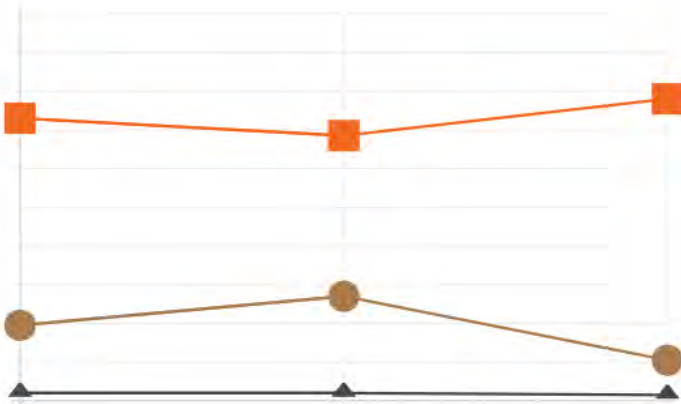
OSHA Total Recordable Injury Rate (TRIR)—Employees



OSHA Lost Work Day Rate (LWDR)—Employees



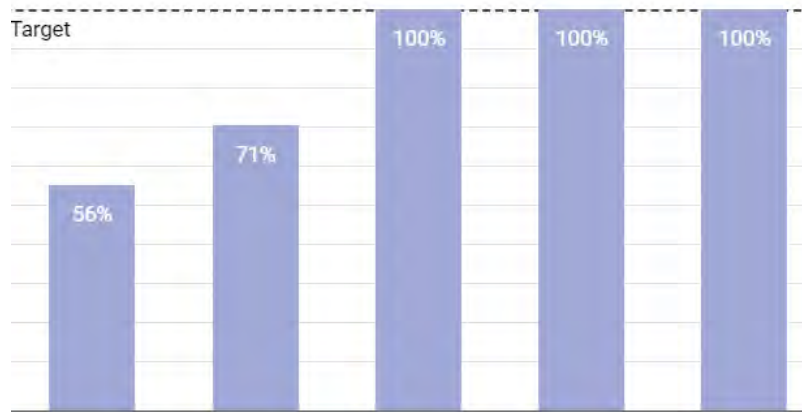
Southwire Engineering Academy



**Southwire Center for Manufacturing Excellence and Skilled for Life**

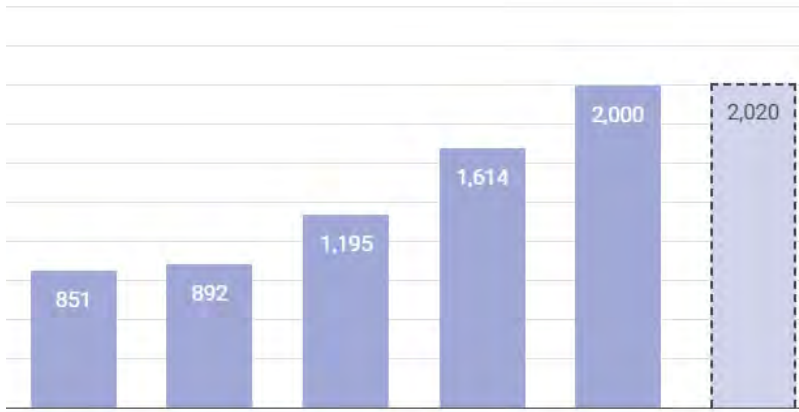


**Southwire Volunteerism**



**Back-to-School Event Locations**





12 for Life Graduates (cumulative total)



Toys Collected

# GROWING GREEN

We will reduce our environmental footprint, even as we grow. We will sustain our business and the communities in which we work and the world in which we live.

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, detailed in this report. Click the links below for Southwire's management approach and performance in each topic.



In 2017, Southwire launched five new goals to enhance our sustainability performance. We are proud to begin reporting our progress against these goals in this 2017 Sustainability Report. Our Growing Green goal and metrics include:

## 2021 SUSTAINABILITY GOALS & TARGETS

### ACHIEVE TOP DECILE DJSI (DOW JONES SUSTAINABILITY INDEX) PERFORMANCE IN OPERATIONAL ECO-EFFICIENCY



TARGET	2016 BASELINE	2017 STATUS
Reduce energy and greenhouse gas (GHG) emissions intensity by 15% through conservation and the use of renewable energy by 2021	Energy: 1,041 kWh/ton GHG: 0.37 MT CO <sub>2</sub> e/ton	Energy: 996 kWh/ton GHG: 0.36 MT CO <sub>2</sub> e/ton
Achieve zero operational waste to landfill status at all locations by year-end 2017 and maintain status with growth through 2021	74%	100%*
Further reduce water intensity by 10% over 2016 baseline by 2021	213 gal/ton	222 gal/ton

\*Does not include sites acquired in 2016 (Sumner and UCI) and 2017 (DCN).

DJSI is considered the "gold standard" for corporate sustainability performance. Achieving top decile performance within the Electrical Components & Equipment sector will help us to outperform our current and future competitors.



2017 SUSTAINABILITY REPORT

GROWING GREEN

# ENERGY & AIR EMISSIONS

Reducing energy intensity, greenhouse gas emissions, fine particulate matter and other significant air emissions (NOx, SOx, etc.) from operations and transportation and increasing use of alternative and renewable energy sources

### WHY MANAGING IT MATTERS

103-1

As energy prices become increasingly volatile and climate change more of a concern, reducing our energy consumption and greenhouse gas emissions (GHG) makes good business sense. Southwire must simultaneously reduce energy and air emissions from operations while the business continues to grow. Southwire's reported energy use covers manufacturing plants, warehousing operations and offices, except those included in the UCI (2017 data is included), Sumner and DCN acquisitions. As expected, Southwire's most significant contributors to energy consumption and air emissions are our larger, more complex manufacturing plants.

103-2

Southwire's commitment to environmental stewardship includes a focus on both energy and emissions reduction and the use of alternative energy sources where feasible. Being responsible energy consumers matters to us and to our customers. We regularly receive customer inquiries about our GHG emissions as well as our energy usage, reduction goals and efficiency initiatives. We manage our energy and emissions footprint by setting goals and policies, conducting internal and external benchmarking and audits, creating specialized teams and leveraging partnerships to drive accountability and communicate best practices.

### 2021 SUSTAINABILITY GOALS & TARGETS

Southwire launched a bold goal in 2017 with a corresponding new energy and GHG emissions reduction target, which builds upon the Growing Green efforts we started in 2007. The new GHG objective creates a more visible and meaningful commitment to addressing climate change. This is our first year reporting progress toward our new goal, and Southwire does not use carbon offsets to achieve this target.

## 2021 SUSTAINABILITY GOALS & TARGETS

### ACHIEVE TOP DECILE DJSI (DOW JONES SUSTAINABILITY INDEX) PERFORMANCE IN OPERATIONAL ECO-EFFICIENCY IN THE ELECTRICAL COMPONENTS & EQUIPMENT SECTOR



2021 TARGET	METRIC	2016 BASELINE	2017 DATA	% CHANGE
Reduce energy and greenhouse gas (GHG) emissions intensity by 15% through conservation and the use of renewable energy by 2021	Energy Intensity (kWh/ton)	1,041	996	4% Reduction
	GHG Emissions Intensity (metric tons of CO <sub>2</sub> e/ton)	0.37	0.36	2% Reduction

## POLICIES

Southwire first issued its [Environmental Policy and Principles](#) document in 1994, with a commitment to “maximize the energy efficiency of our existing operations and save energy to the greatest feasible extent.” Since then, we have updated the document as new issues arise. Now that Air Emissions is a material topic, Southwire will review and revise our current policies and principles accordingly.

## GOVERNANCE

Management of our energy use and air emissions begins with our individual plants, with the support of our business groups and corporate Environment, Health and Safety (EHS) staff. The plants report to our divisional leadership, who in turn report to our executive vice president of international and operational development.

Our corporate EHS department manages our energy performance data, and our board receives a quarterly update on performance against our GHG and energy reduction targets. Business group, plant and environmental staff receive summarized company-wide and individual plant GHG and energy performance data on a periodic basis.

Southwire’s energy reduction team consists of our senior EHS director, senior director of corporate infrastructure and three plant managers. This team evaluated several energy consulting firms, including three pilot projects, to identify a potential partner to aid in our energy assessments. Over time, this group aims to improve energy efficiency through a combination of capital investment and updated operational practices.

## ENERGY MANAGEMENT

### Energy Audits

Over a two-year period, we completed external energy audits at Southwire’s top 13 energy consuming facilities. From these audits, we are building a database of potential energy-savings opportunities that can be deployed throughout the organization. In addition, as we modernize our operations, modify equipment and upgrade our infrastructure, we seek to utilize the most energy-efficient technology when possible.

Presently, each manufacturing plant manages its energy consumption and air emissions on an individual basis, making it difficult to achieve a standardized approach and quantify the impact of each facility’s separate actions. Our external energy assessments have identified specific energy-saving opportunities for our top energy-consuming facilities. Based on the audit findings, we encourage plants with more moderate energy footprints to implement these energy reduction techniques as applicable.

### Renewable Energy

Southwire also has investigated the use of renewable energy applications. We now have a roof-top solar installation at our Avon Lake Plant in Ohio, and a ground-mounted vehicle charging station at our Villa Rica Plant in Georgia. Southwire also joined Solarize Carroll in 2017, a community-based solar photovoltaic group purchasing program designed to help homeowners, businesses and other organizations save on the cost of solar system installations by leveraging bulk purchasing power in Carroll County, Ga.

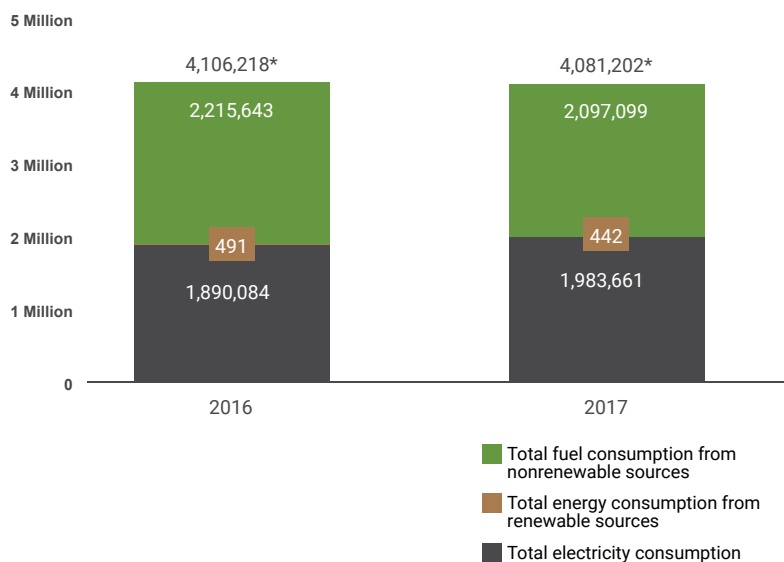
103-3 ▾

### Energy Performance

At Southwire, we track energy consumption and efficiency. Our facilities track electricity and gas for both Scope 1 and Scope 2 emissions. To further evaluate our performance, we engaged a third party to verify our 2016 and 2017 operational eco-efficiency data. The third party recommended Southwire change our scope and calculation methods for some of this data, which caused us to restate our 2016 results, previously disclosed in our 2016 Sustainability Report. We referenced these changes in our general disclosure of 102-48: effect of restatements of information and reasons for them.

302-1 ▾

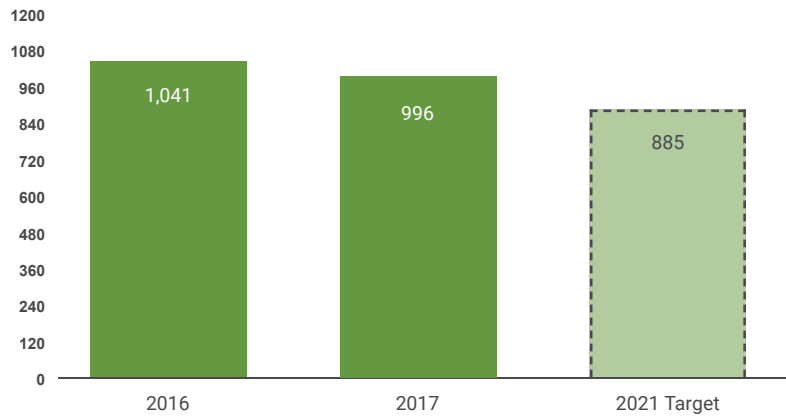
### Energy Consumption Within the Organization (GJ)



\*Information obtained from utility bills, estimates used where data unavailable; Energy consumption calculated based on 1,025 Btu/cf natural gas (2013 average per US Energy Administration), 91,420 Btu/gal propane (Alternative Fuels Data Center, 2014), 1,054.2 Joules/Btu, 3.6 MJ/KWh.

302-3

### Energy Intensity (kWh/ton\*\*)



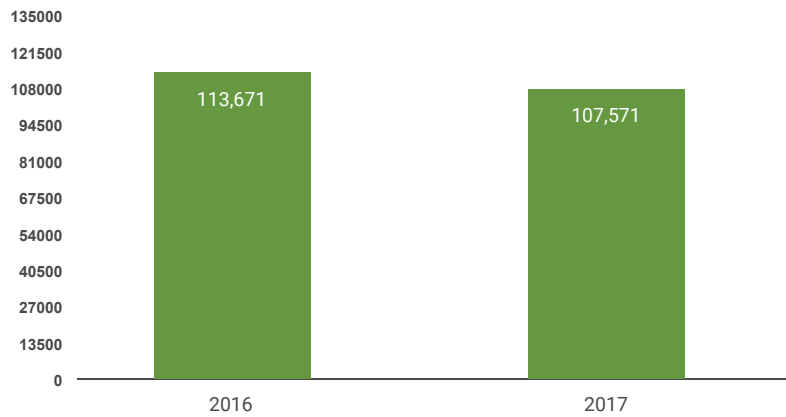
\*\*Includes electricity (purchased and on-site solar generation), natural gas, propane, and fuel oil.

### AIR EMISSIONS

Southwire's largest sources of Scope 1 and Scope 2 GHG emissions and combustion products (NO<sub>x</sub>, SO<sub>x</sub>, and CO) are our aluminum rod mill in Hawesville, Ky. and copper rod mill in Carrollton, Ga. By nature of the process, it takes a significant amount of energy to melt cold metal and convert it into rod for use in our wire and cable manufacturing processes.

305-1

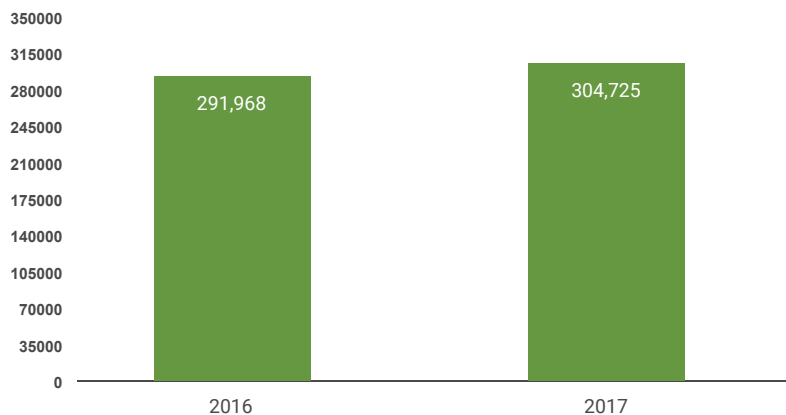
### Gross Direct (Scope 1) GHG Emissions (metric tons of CO<sub>2</sub>e)\*



\*Southwire uses AIC software to consolidate GHGs (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, and NF<sub>3</sub>) into CO<sub>2</sub>e. Global Warming Potential (GWP) values for natural gas, propane, etc. are based on the IPCC Fifth Assessment Report, 2014 (AR5). All sites are under operational control.

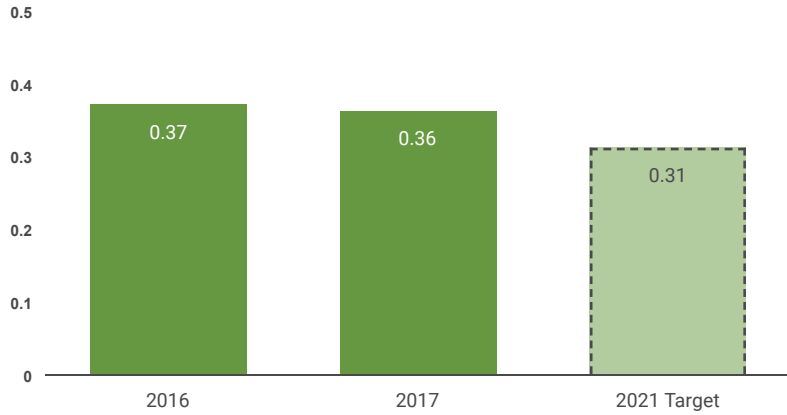
305-2

### Energy Indirect (Scope 2) GHG Emissions (metric tons of CO<sub>2</sub>e)\*\*



\*\*AIC consolidates GHGs (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, and NF<sub>3</sub>) into CO<sub>2</sub>e. Factors in the system are either based on US EPA eGRID factors (electricity) or in-country equivalent or the best estimate for international sites. All sites are under operational control.

**GHG Emissions Intensity (Scope 1 & Scope 2) (metric tons of CO<sub>2</sub>e/ton)<sup>\*\*\*</sup>**

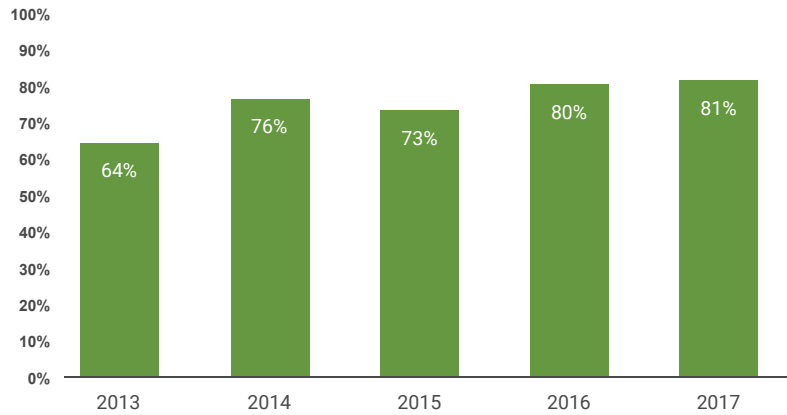


<sup>\*\*\*</sup>Includes CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>.

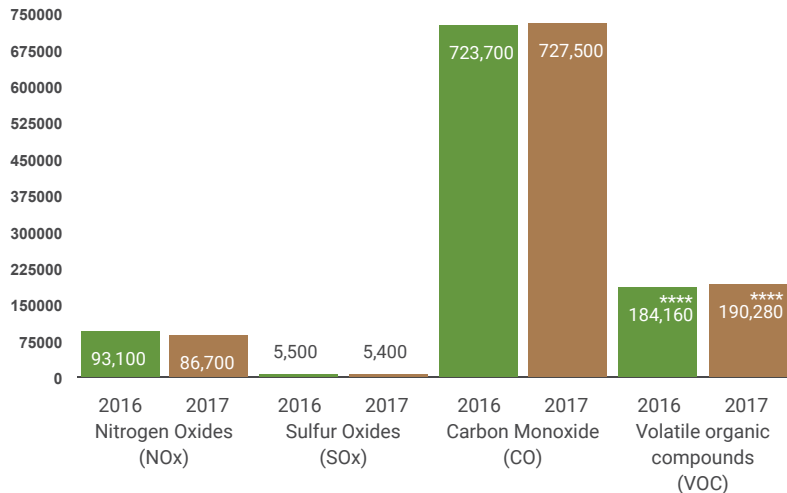
**Strategic Sourcing & Logistics**

In addition to managing our energy use, Southwire works to limit emissions from transportation. To the extent practicable, Southwire strategically sources raw materials closer to the appropriate manufacturing plant to limit distance traveled, and we use intermodal transport whenever possible. We encourage our carrier contractors to participate in the EPA's Smart Way Program in alignment with our fuel efficiency expectations. This program creates a win-win-win outcome: our carriers save on fuel costs, our logistics expenditure declines and the environment benefits from diminished carbon intensity. Carrier membership is dependent upon improvement from baseline statistics in various categories.

**Freight Spend with Smart Way Carriers**



**Significant Air Emissions (Kilograms)<sup>\*\*\*\*\*</sup>**



<sup>\*\*\*\*</sup>Data not third-party assured.

<sup>\*\*\*\*\*</sup>Emission factors are based on US EPA AP-42 emission factors, actual testing of the source, testing of a similar source, or best available emissions data.



## 2017 SUSTAINABILITY REPORT

### GROWING GREEN

# MATERIALS

Minimizing material use and integrating sustainable attributes (e.g., recycled materials) into products and packaging; minimizing or eliminating the use of materials with negative health impacts; and maximizing material reuse at end of life

## WHY MANAGING IT MATTERS

103-1

As a materials-intensive business, Southwire has a significant environmental footprint. With a finite supply of natural resources, Southwire must work to minimize the amount of raw materials used to limit exposure to potential raw materials shortages and/or increasing prices of core inputs. Internally, Southwire manages this topic through product design, manufacturing operations and customer service centers. We also work with suppliers to integrate recycled material inputs and with customers and end users to maximize material reuse at the end of products' useful lives.

103-2

Southwire takes pride in continually improving the value our products deliver to customers. We know that value is about delivering more; we design our products to be safer for users—both during installation and for the people who work and live in the finished buildings—better for our planet and more cost-effective for our customers. Further, Southwire works diligently to ensure our materials and products meet stringent regulatory requirements from Europe and California.

Product responsibility drives much of Southwire's innovation, and many of the innovations that we brought to market in 2017 align with our product responsibility objectives to:

- > Prioritize sustainable attributes, including recycled materials and minimizing content, in products and packaging;
- > Minimize or eliminate the use of materials with negative health impacts; and
- > Reuse materials at the end of a product's useful life.

## GOVERNANCE

Our executive leaders of research and development (R&D), sustainability, EHS and quality ensure that product responsibility continually progresses. They update our chief executive officer every quarter on the status of our current goals.

## POLICIES

Southwire has explicit policies covering materials management, including purchasing guidelines to limit the use of products that have environmental regulatory concerns. New Material Request Instructions detail what requestors must do to approve a new material, including submitting a Material Safety Data Sheet (MSDS) for review and approval by safety and environmental coordinators and by the Inventory Records Manager (IRM). If the material passes the approval process, the IRM will establish a stock number for the material in SAP.

## STREAMLINING PRODUCTS AND PACKAGING

Southwire aims to minimize the amount of packaging our products require. Our *SIMPull* Solutions® require zero spools and no added lubricant, eliminating waste at the job site. We also eliminated rigid plastic clamshell packaging for our timers, garden lighting, automotive and hand-held lighting product categories, and we continue to look at other product categories for packaging reduction opportunities.

## MINIMIZING MATERIALS WITH NEGATIVE HEALTH IMPACTS

Our customers are actively focused on their products' chemical content and increasingly expect Southwire to minimize harmful chemicals used in our products. While most of Southwire's business is in North America, we provide products to offshore customers and serve customers that sell to overseas markets; therefore, we monitor market trends and requirements globally. To maximize our potential customer base, reduce inventory and be true environmental stewards, we are working with our suppliers to eliminate chemicals of concern identified by the European Union's REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulation and Restriction of Hazardous Substances (ROHS) directive.

We plan to develop insulating compound alternatives to better manage the content of our products in response to our customers' perception of the end user effects. We continue to increase in-house formulation and compounding capability and invest in the necessary equipment needed to meet this goal.

## REUSING MATERIALS AT END OF LIFE

The Southwire Tools & Assembled Products Business Unit participates in Extended Producer Responsibility (EPR) programs across North America. These programs seek to identify environmental costs and impacts that arise throughout a product's life-cycle. Together with these programs, our Tools & Assembled Products Business unit developed products and packaging more compatibly designed for collection and recycling.

The Product Care Association and call2recycle.org collaborate with us to help manage the life-cycles of retail tools, lighting, timers, packaging and lawn and garden products. Éco Entreprises Québec (EEQ), including other programs under the Canadian Stewardship Services Alliances (CSSA), helps us with the recovery and recycling of our packaging materials in Canada.

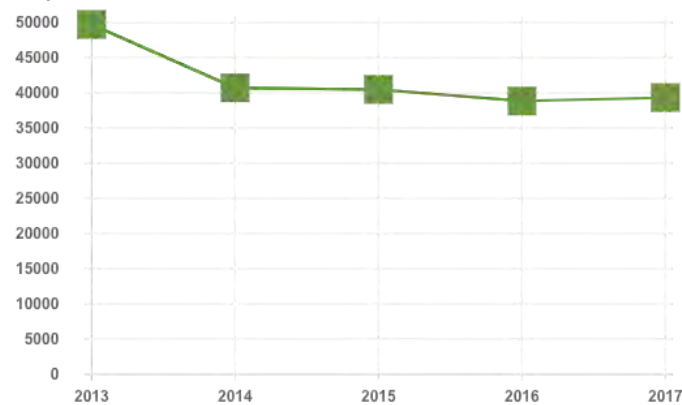
To expand upon our EPR program experience, we plan to launch internal compliance with the Waste Electrical and Electronic Equipment Directive (WEEE), a European end-of-life regulation. WEEE encourages the collection, treatment, recycling and recovery of electrical and electronic equipment waste. This falls in line with our longstanding tradition of going beyond regulatory requirements. The WEEE Directive will primarily influence our Tools & Assembled Products operations.

103-3 ▾

For utilities ordering materials with steel or wood reels, we established a return program that allows reels to be refurbished through a partnering vendor and shipped with new product. Through this program, customers have 12 months to return the reel for credit, creating an opportunity for shared financial and environmental benefits between Southwire and our customers. However, as freight costs have increased significantly in the past few years, the economics of returning reels from long distances for recycling have led to fewer returned reels. Additionally, several customers on the industrial side requested new reels, limiting our ability to utilize recycled reels at our Starkville, Mississippi, facility. We are currently reviewing ways we can reengage these customers in this program.

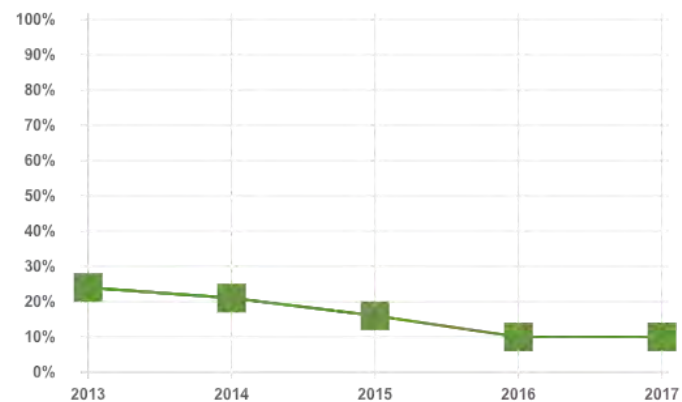
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### Recyclable Wooden & Steel Reels Returned\*



\*Includes units recycled through our reel supply partner

### Recyclable Reels Returned (Percentage of Total Wooden & Steel Reels Shipped)\*\*



\*\*Includes shipments of both new and recycled reels

Beyond reclaiming Southwire's wooden and steel reels, we have an established electronics recycling program in Carrollton, where we partner with Keep Carroll Beautiful and invite local community members to drop off e-waste at periodic collection events. We plan to expand this program in 2018 and have selected Florence, Ala., and Bremen, Ind., as the pilot locations.

To ensure the quality, integrity and transparency of our product responsibility, we committed to producing environmental product declarations (EPDs) for 25 products in key markets by year-end 2018. This effort is on hold as we review other potential environmental and/or health product declarations (HPDs) that may be more in line with customer needs. Our renewed focus may reduce the overall number of EPDs/HPDs and concentrate them in the United States Green Building Council (USGBC) Leadership in Energy & Environmental Design (LEED) and Living Building Challenge Standard, Green Building Market sector.

We will assess our product responsibility performance through consumer feedback and satisfaction, as well as sales results.





## 2017 SUSTAINABILITY REPORT

### GROWING GREEN

# WATER & WASTEWATER

Controlling water usage in manufacturing facilities and office spaces by monitoring total withdrawal by source and using recycled or lower quality water whenever possible; managing water quality by reducing the release of chemical and physical contaminants into bodies of water such as rivers, streams and lakes; and minimizing spills and releases

## WHY MANAGING IT MATTERS

103-1

As supported by our recent materiality assessment, effective water management—both quantity and quality—is crucial for our manufacturing operations. Southwire uses water for our production activities. Water management is more critical in specific divisions and plants, such as the aluminum rod and copper rod mills, and is primarily used for contact and non-contact cooling. Given some Southwire locations' proximity to creeks and rivers, storm runoff and wastewater discharges could impact nearby communities. Non-compliance with regulatory water quality requirements could have serious financial and reputational consequences for Southwire.

103-2

Southwire's water management approach ensures we have an adequate supply of water within certain quality parameters from sustainable withdrawal sources to manufacture our products. Additionally, Southwire must comply with regulatory requirements—direct discharge permits for wastewater discharged to surface waters, local sewer ordinances for wastewater discharged to the sewer and stormwater permits for rainwater runoff.

## GOVERNANCE

While each Southwire site locally manages water use and wastewater discharge, ultimate accountability for our environmental performance rests with our executive vice president of international and operational development. In 2017, Southwire updated our performance management program so that, in 2018, incentive compensation for vice presidents and above will be tied to achieving certain performance metrics. Southwire's senior vice president of sustainability, EHS & quality has compensation tied to our operational eco-efficiency targets (see below).

## POLICIES

Our [Environmental Policy and Principles](#) guide Southwire's responsible use of natural resources. While they historically did not explicitly mention water, we will revisit the policy in 2018 now that Water & Wastewater is a material topic. Locations having industrial activities exposed to stormwater contact, discharging wastewater to the sewer above certain thresholds, and/or are subject National Pollutant Discharge Elimination System (NPDES) requirements operate under state or local permits that specify appropriate compliance procedures. We also have facilities that are subject to surface water withdrawal permit requirements, groundwater protection obligations and/or stormwater no-exposure exemption certification procedures.

## ENVIRONMENTAL MANAGEMENT SYSTEMS

Southwire operates four facilities with third-party verified environmental management systems – our Huntersville, N.C., Plant, Hawesville, Ky., Plant and Carrollton, Ga., Utility Products Plant have achieved ISO 14001 registration, and our Tecate Plant is certified under Mexico's Clean Industry Program. We are currently developing ISO-like environmental management systems (EMS) at all our other manufacturing operations. As part of the EMS process, each site conducts an "aspects and impacts" analysis to identify critical activities at the site and how these operations may affect the environment. Sites that identify Water & Wastewater as significant are required to develop a procedure, policy and/or plan to manage those aspects. Southwire is aiming to implement an EMS at all manufacturing sites by year-end 2021.

## 2021 SUSTAINABILITY GOALS & TARGETS

103-3

Southwire set an objective to eliminate all direct process water discharge from comingling with stormwater at our Carrollton wire mills. By successfully accomplishing this goal in 2017, we minimized impacts to surface water and eliminated this site's need for an NPDES permit.

As part of our goal to achieve top decile operational eco-efficiency performance on the Dow Jones Sustainability Index, Southwire set a target to further reduce water intensity by 10 percent over our 2016 baseline by 2021. We report our progress toward this goal for the first time below. As indicated in the table, our performance declined by 4 percent due to operational and production factors.

## 2021 SUSTAINABILITY GOALS & TARGETS

### ACHIEVE TOP DECILE DJSI (DOW JONES SUSTAINABILITY INDEX) PERFORMANCE IN OPERATIONAL ECO-EFFICIENCY IN THE ELECTRICAL COMPONENTS & EQUIPMENT SECTOR



WATER REDUCTION GOAL	2016 BASELINE	2017	2021 TARGET
Further reduce water intensity by 10% over 2016 baseline by 2021	213 gal/ton	222 gal/ton	192 gal/ton

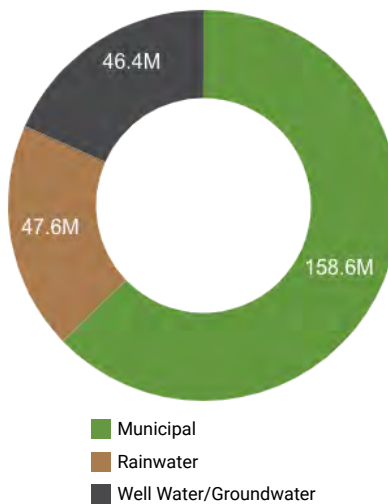
### WATER & WASTEWATER IMPACTS

Southwire tracks the source of water used for our operations and works to minimize our impact in those areas. For municipal water sources, we obtain usage data from our utility bills. For rainwater and well water/groundwater use, we determine consumption volume based on internal meters where possible. However, this is not the case at our Building Wire Plant (BWP) and Utility Products Plant (UPP) in Carrollton, Ga.

At these plants, we have a stormwater collection system with a number of lift stations that pump water to a four million gallon stormwater storage tank, which is the primary source of cooling water for UPP and BWP. Currently, we do not have an accurate way to measure consumption of this water, so we estimate based upon cooling tower loss (the rainwater feeds the cooling towers). We use a standard calculation methodology to determine evaporation rate [Evaporation Rate = Circulation Rate x Delta T / 1000]. Circulation rate is the recirculation pump's rated capacity. Delta T is set at 5°F, a best estimate for the average temperature drop for our cooling towers over the course of a year.

303-1

#### Water Withdrawal by Source



We also track water discharge by quality and destination for the three Southwire sites that require permits.

306-1

SOUTHWIRE SITE	DESTINATION	2017 TOTAL VOLUME OF PLANNED WATER DISCHARGES (GALLONS)	2017 TOTAL VOLUME OF UNPLANNED WATER DISCHARGES (GALLONS)	TREATMENT METHOD	QUALITY OF WATER	WATER REUSED BY ANOTHER ORGANIZATION
Copper Rod Mill	Buffalo Creek	33,528,410	0	Chemical and physical treatment	All discharge water quality met permit requirements	None
Kentucky Plant	Ohio River	21,939,263	0	Chemical and physical treatment	All discharge water quality met permit requirements	None

SOUTHWIRE SITE	DESTINATION	2017 TOTAL VOLUME OF PLANNED WATER DISCHARGES (GALLONS)	2017 TOTAL VOLUME OF UNPLANNED WATER DISCHARGES (GALLONS)	TREATMENT METHOD	QUALITY OF WATER	WATER REUSED BY ANOTHER ORGANIZATION
Carrollton Wire Mills	Buffalo Creek	3,315,532	7,350	None	All discharge water quality met permit requirements	None

While Southwire does not maintain a central inventory, we identify the receiving stream in the Notice of Intent for permit coverage at our sites that require NPDES permits, which allow Southwire to discharge to a specific water body.

306-3 ▾

In Southwire's history, there have been occasional incidents that have resulted in releases of process water, oils or other materials that triggered regulatory reporting requirements. These incidents are reported under [Details of Regulatory Actions](#) on our corporate website.

## EVALUATION MECHANISMS

103-3 ▾

Southwire evaluates its management approach with biennial third-party EHS audits that verify we are in compliance with regulatory requirements and our own internal policies, and any non-conformances are remedied as expeditiously as possible. To further evaluate our performance, we engaged a third party to verify our 2016 and 2017 operational eco-efficiency data. The third party recommended Southwire change our scope and calculation methods for some of this data. Consequently, we restated our 2016 results, which were previously disclosed in our 2016 Sustainability Report. We referenced these changes in our general disclosure of 102-48: effect of restatements of information and reasons for them.



2017 SUSTAINABILITY REPORT

GROWING GREEN

# OPERATIONAL WASTE

Tracking and minimizing waste (e.g., solid, toxic/hazardous, electronic) and utilizing safe disposal methods

## WHY MANAGING IT MATTERS

103-1

Waste minimization is a focus area for Southwire’s customers—in particular, our OEM and utility customers expect the company to continue to aggressively reduce operational waste. At the end of 2017, Southwire successfully reached our ten-year goal of achieving zero landfill from normal operations (excluding waste from construction projects, remediation activities or other waste that requires landfilling, such as asbestos-containing materials). Because Southwire has been actively focused on meeting a zero-landfill goal for a decade, the impact of our operational waste management efforts has lessened; as a result, our recent materiality assessment revealed that Operational Waste is no longer a “Tier 1” topic. However, Southwire will continue to look for opportunities to minimize all types of operational waste at our facilities globally.

103-2

Diverting hazardous and non-hazardous waste from landfills is a foundational element of Southwire’s environmental stewardship commitment, driving us toward more efficient and responsible production and minimizing the impact to our communities and around the globe. Our Growing Green strategy to reduce our environmental footprint, even as we grow, remains as important to our company as it was when we began our journey toward a more sustainable future. Our management approach utilizes goals, governance mechanisms and partnerships.

## 2021 SUSTAINABILITY TARGETS & GOALS

Southwire’s environmental practices include proactively managing operational waste. In 2007, we set an aggressive goal to send zero waste to landfill by the end of 2017. To achieve this goal, we actively identified our different waste streams at our manufacturing sites, warehousing facilities, corporate headquarters and central sales offices, segregating valuable recyclable materials and making simple changes where possible.

After achieving a 94 percent reduction from our 2007 waste to landfill baseline, Southwire revised the goal in 2016 to reflect our intention to maintain zero landfill status at existing locations and work to attain zero landfill at new locations and facilities acquired in 2016 and beyond. In our 2017 Sustainability Report, we are pleased to report our progress toward this new goal.

## 2021 SUSTAINABILITY GOALS & TARGETS

### ACHIEVE TOP DECILE DJSI (DOW JONES SUSTAINABILITY INDEX) PERFORMANCE IN OPERATIONAL ECO-EFFICIENCY IN THE ELECTRICAL COMPONENTS & EQUIPMENT SECTOR



2021 TARGET	METRIC	2016 BASELINE	2017 DATA	2017 TARGET
Achieve zero operational waste to landfill status at all locations by year-end 2017 and maintain status with growth through 2021	Percent of Facilities with Zero Waste to Landfill Status	74%	100%*	100%

\*Does not include sites acquired in 2016 (Sumner and UCI) and 2017 (DCN).

## POLICIES

Southwire’s [Environmental Policy and Principles](#) demonstrates our continued dedication to minimize waste through prevention efforts to avoid potential negative impact on our community. We internalize the cost of waste management, assigning the full cost to appropriate products. Further, two of our 10 Environmental Principles pertain to the management of waste.

## GOVERNANCE

Our facilities and division leaders are responsible for developing new strategies to minimize operational waste, while our environmental team manages all data related to our waste streams. Sites use teams, such as a Growing Green team, a Zero Landfill team, Environmental team or an Operational Perfection at Southwire (OPS) team to actively look for opportunities to reduce waste at their facilities.

In addition, Southwire's national waste management partner helps us to better assess risks associated with operational waste management and suggests alternate solutions for waste streams. This arrangement helps us operate more efficiently: rather than each facility evaluating waste outlet options and managing the cost of waste, we utilize a central data system. Finally, our partner helps us more accurately track monthly waste generation at our operating facilities. They provide data and progress updates for all our North American sites, as well as weekly feedback on any specific issues that arise.

## MATERIALS MINIMIZATION

Within our extended value chain, we evaluate packaging entering our facilities and work with suppliers to minimize those materials. By minimizing waste before raw materials arrive on site, the volume of items that need to be recycled or repurposed is reduced.

Among our own products, we reduce packaging and other product-related waste material as well. For example, our SIMpull Solutions® allow our products to be installed without the need for spools, rags or added lubricant, eliminating waste at customer job sites. Additionally, we instituted take-back programs such as a reel return program for wood or steel reels that gives credit for returned material. Read [more](#) about our efforts to minimize materials in our products and packaging.

306-2

Waste Type	2016 Total (Tons)	2017 Hazardous	2017 Non-Hazardous	2017 Total (Tons)
Reuse	Unavailable*	0	Unavailable*	Unavailable*
Recycling	22,849.0	0	21,908.07	21,908.07
Composting	0	0	0	0
Recovery (including energy recovery)	14,252.0	106.67	13,731.07	13,837.73
Incineration (mass burn)	24.1	77.36	0	77.36
Deep well injection	0	0	0	0
Landfill**	1,841.0	1.13	1,009.51	1,010.64
On-site storage	0	0	0	0
Other—Treatment	9,841.9	153.60	9,950.49	10,104.09
Other—Miscellaneous waste streams	594.5	2.13	172.69	174.82
<b>Total</b>	<b>49,403</b>	<b>341</b>	<b>46,772</b>	<b>47,113</b>

\*Southwire does not track the amount of operational waste reused.

\*\*Includes waste from soil remediation and construction debris not considered under "operational waste."

Southwire tracks waste management (recycle, treatment, waste-to-energy, etc.) through documentation on the shipping papers (manifest, bill of lading, etc.). When our waste management partner receives the invoice from the outlet, they document each shipment in a spreadsheet by selecting a management method from a dropdown list. This classification spreadsheet is uploaded to our system monthly.

103-3

In 2017, Southwire focused on advancing the remaining non-zero landfill sites to zero landfill, which we successfully accomplished. In 2018, we will work with sites acquired in 2016 (Sumner and UCI) and 2017 (DCN) to reduce their operational waste and achieve zero landfill in a timely manner.

# LIVING WELL

We will preserve and enhance the lives of our employees by building a workplace that is supportive, meaningful and engaging. Safety and health are top priorities, and we will always treat each other with dignity and respect.

At Southwire, we believe that strong, sustainable companies stem from thriving individuals. We encourage our employees to challenge themselves in their professional and personal development, and we seek to provide opportunities and resources to enable their growth. Southwire's enduring strength comes from our people. We care for the Southwire family and, in return, they care about and enable Southwire's lasting success. We identified four material topics related to Living Well; click on the link for each topic to read about Southwire's management approach and 2017 performance.



In 2017, Southwire launched five new goals to enhance our sustainability performance. We are proud to begin reporting our progress against these goals in this 2017 Sustainability Report. Our Living Well goal and metrics include:

## 2021 SUSTAINABILITY GOALS & TARGETS

### ACHIEVE BEST IN CLASS SAFETY PERFORMANCE AT SOUTHWIRE



TARGET	2016 BASELINE	2017 PROGRESS
Achieve 10X increase in injury-free event (IFE) reporting by 2021	46.8	*
Achieve 75% decrease in the total recordable injury rate by 2021	1.71	1.30 (24% decrease)
Achieve Occupational Safety and Health Administration (OSHA) Voluntary Protection Program (VPP) or equivalent certification at all sites by 2021	38%	36%**

\*New IFE reporting process is in development and targeted for completion at the end of 2018. IFE were not measured on an enterprise level in 2017.

\*\*In 2017, one additional site was certified; however, two VPP sites were closed.

Southwire's "continuum to best in class" represents a documented progression across a continuum of four cultural states: Reactive, Proactive, Systems-Based and Best in Class. As each operation progresses across the continuum, the targets will need to be met.



## 2017 SUSTAINABILITY REPORT

### LIVING WELL

# WORKPLACE SAFETY & EMPLOYEE WELL-BEING

Providing a safe workplace for our employees and contractors through the elimination of hazards and the implementation of safety training, systems and equipment; making resources available to promote the physical, emotional and financial well-being of employees

## WHY MANAGING IT MATTERS

103-1

Our greatest asset is the Southwire family, and we can proudly say that multiple generations work for us. Our heritage as a family-owned company inspires us to treat our employees like family and contribute to their overall physical and emotional well-being. Healthy workers are essential to maintaining our competitive advantage and an attractive culture. Southwire's employees differentiate us from the competition by ensuring we consistently deliver the best quality product to our customers in a timely manner.

An analogous relationship exists between employee well-being and engagement—and employee engagement and business results. [Gallup's research](#) shows employees who report high well-being:

- > Miss 41 percent less work due to poor health;
- > Are 36 percent more likely to report a full recovery after an illness, injury, or hardship;
- > Are more than twice as likely to say they always adapt well to change; and
- > Are 81 percent less likely to seek out a new employer in the next year.

When our employees are safe, healthy and engaged, Southwire performs best.

103-2

Southwire manages safety and health as a matter of principle—the well-being of employees and contractors matters most. Effectively managing workplace safety and health risks and encouraging employees and contractors to take responsibility for their well-being—and that of their coworkers—improves working conditions which, in turn, protects our workers' quality of life. We use a wide range of initiatives, governance mechanisms, policies, systems and training to continually improve our safety and health performance, always with the goal of zero injuries in mind.

## WORKPLACE SAFETY

### Southwire's Continuum to Best in Class

Safety is core to our culture, and we established a goal to achieve best in class safety performance at Southwire (see progress below). To achieve excellence, we established an environmental, health and safety (EHS) continuum to help our leaders advance the organization's safety culture and performance—from reactive to proactive, then to systems-based, and to the ultimate goal of being world-class. Recognizing that each Southwire location is at a different place on the continuum, this strategy offers a "meet them where they are" approach to safety planning and execution. The continuum plays a key role in EHS planning processes, serving as a tool for identifying which locations need the most support and guidance. Clearly describing excellence and accountability in each area enables leaders across the organization to continue to enhance safety performance.

The following areas are outlined in the continuum:

- > Leadership commitment;
- > Responsibility and accountability;
- > Organization and structure;
- > Communication and training;
- > Incident management;
- > Hazard identification and controls;
- > Work practices and behavior; and
- > Measurement and monitoring.

Southwire utilizes numerous business and EHS strategy and execution tools to drive EHS performance and accountability, and we work with several consulting firms to provide expertise in areas of need. These tools and partnerships provide a proven methodology to place a heightened focus on the critical activities and behaviors needed to reduce injuries. Each facility has its own performance targets and lead measures based on injury history and risk in areas such as ergonomics, machine guarding and near miss reporting. Sites may also use the continuum as a guide to build a safety culture and establish better systems.

## 2021 SUSTAINABILITY GOAL & TARGETS

103-3

In 2016, we refreshed our workplace safety goal and developed three new targets for the next five years. This report is our first time sharing our progress toward these goals.

### 2021 SUSTAINABILITY GOALS & TARGETS



### ACHIEVE BEST IN CLASS SAFETY PERFORMANCE AT SOUTHWIRE

TARGET	2016 BASELINE	2017 STATUS
Achieve 10X increase in injury-free event (IFE) reporting by 2021	46.8	*
Achieve 75% decrease in the total recordable injury rate by 2021	1.71	1.30 (24% decrease)
Achieve Occupational Safety and Health Administration (OSHA) Voluntary Protection Program (VPP) or equivalent certification at all sites by 2021	38%	36%**

\*New IFE reporting process is in development and targeted for completion at the end of 2018. IFE were not measured on an enterprise level in 2017.

\*\*In 2017, one additional site was certified; however, two VPP sites were closed.

#### Governance

We connect employee well-being with leadership at the highest level. Reflecting our emphasis on governance, we hold leaders to the highest level of accountability for workplace safety and health. Responsibility starts with the Sustainability Committee of our board and our chief executive officer and cascades down to Southwire's executive leadership team.

Additionally, operations leadership and location managers participate in weekly web conferences to report their performance on workplace safety and health metrics, review safety incidents and present best practices. Our operations EHS steering committee convenes regularly to set strategies and review progress on implemented action plans at all Southwire facilities with the support and guidance of our safety teams. For more on our Southwire's governance structure, click [here](#).

At our manufacturing plants and distribution facilities, our employees actively participate in health and safety committees and teams, including emergency preparedness, ergonomics, job safety analysis, hazard recognition, incident investigation, sustainability, environmental, behavior-based safety, lockout/tagout, machine guarding, first responders and steering committees.

#### Policies & Compliance

Southwire sets the standards for operational safety at our sites through policies, procedures and guidance documents. We integrated our EHS policies with our corporate management systems, developing approximately 50 standardized EHS policies and program templates and creating a set of minimum expectations for the locations to meet regulatory requirements and Southwire standards. In 2017, we rolled out a portion of these standards to sites each quarter, with the objective to have all standards implemented at all warehouse and manufacturing locations by the end of the year. In 2018, we will begin auditing sites against these standards and scoring them on performance. This more comprehensive, standardized system will support the company's ONE Southwire philosophy, eliminate variability and facilitate the integration of new facilities and acquisitions.

#### Certification of Safety Management Systems

Safety management systems provide Southwire a foundation to achieve and sustain success in workplace safety and health. Southwire committed to implementing and certifying a safety management system at each of our locations by 2021. As of the end of 2017, 36 percent of Southwire sites met this goal.

Within our U.S. operations, Southwire is working to certify all manufacturing and warehouse operations within the OSHA Voluntary Protection Program (VPP), which consists of management commitment, employee involvement, hazard prevention and control and safety training. Operations outside the United States or those that primarily serve international customers will certify against the Occupational Health and Safety Assessment Specification (OHSAS) 18001 (soon to be ISO 45001) or an in-country equivalent standard, such as our Tecate, Mexico, facility, which is certified under Mexico's Secretaría del Trabajo y Previsión Social Empresa Segura program.

#### Training

With Southwire's strategic learning focus on increasing organizational capability in human performance error management techniques, a team of plant health and safety professionals created a Southwire-specific training curriculum. In 2017, we leveraged the lessons learned from a pilot program at our Carrollton, Ga., Building Wire Plant and deployed human performance principles at our Starkville, Mississippi, location. The



training for plant managers and supervisors focused on learning to recognize error-prone situations, which increase the risk of safety incidents and quality errors. The team also provides coaching for supervisors and managers on how to mitigate these situations when error precursors are identified.

### Collaboration with Unions

403-4

Southwire operates two union-represented facilities; Section 17 of the collective bargaining agreement covers safety and health. The provisions of the agreement stipulate that the company will make reasonable provisions for the safety and health of our employees, such as requiring an employee from each shift to be trained in first aid response. The company will also furnish all personal protective equipment required by state and federal law and provide employees with a safety shoe allowance. The contract stipulates that Southwire management will meet with the union safety committee monthly to correct any safety violations. In addition, the agreement outlines that Southwire and the union mutually support participation in OSHA VPP and actively participate in all safety programs connected to VPP implementation.

### Contractor Safety Initiatives

Southwire holds on-site contractors to the same standards as employees. We use our pre-qualification program to evaluate their safety performance before they arrive. To pre-qualify, contractors must achieve an overall grade of either B or better for the following requirements:

- > Experience modifier;
- > Written safety program;
- > Safety questionnaire;
- > Evaluation reports;
- > Drug and alcohol screening and background checks; and
- > Training documentation.

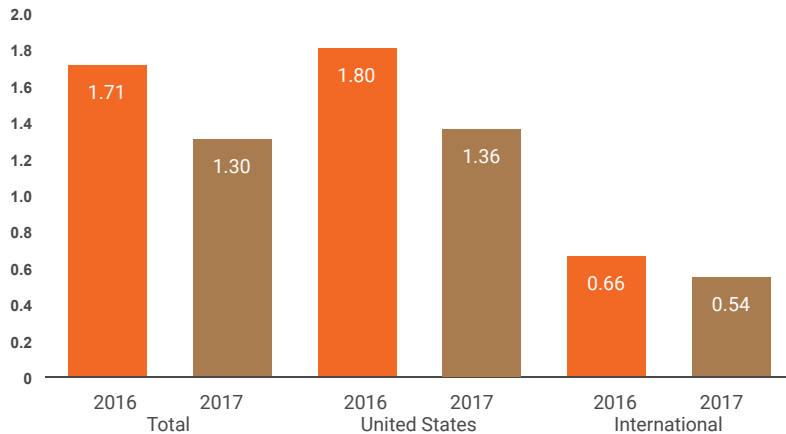
Southwire tailors these requirements to the contractors' type of work. After pre-qualification, we host contractor safety orientations to help teach our internal environmental, health and safety requirements. We also use an electronic reporting system for contractor incident investigations and inspections.

### Data Monitoring and Reporting

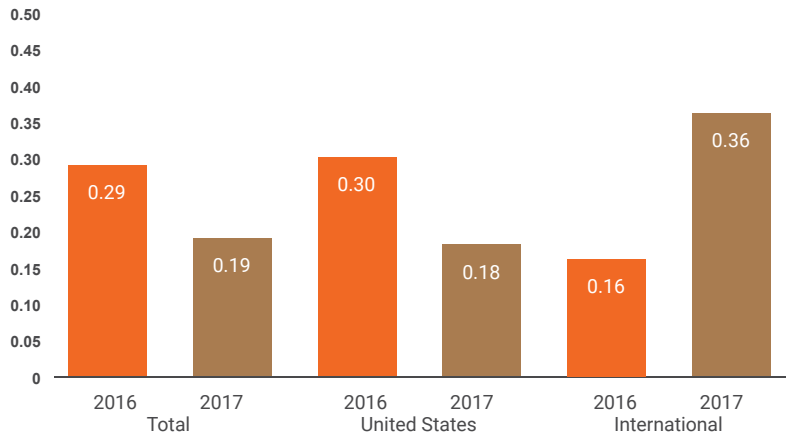
We track absenteeism rates and injury types for internal purposes to determine where we need to focus our mitigation efforts (ergonomics, machine guarding, etc.). We also track occupational illnesses in our EHS data management system and they are included in our OSHA Total Recordable Injury Rate (TRIR). Our corporate EHS department monitors this data, and we have found no discernable trend in occupational illness. Should any trend in occupational illness arise, we will manage it through our existing risk mitigation processes.

403-2

### OSHA Total Recordable Injury Rate (TRIR)–Employees\*



### OSHA Lost Work Day Rate (LWDR)–Employees\*



\*Number of incidents per 100,000 hours worked. TRIR includes all "OSHA Recordable Injuries"—first aid is not included, fatalities are included. LWDR days are calculated as work days, beginning with the first day the employee was to work next.

#### Work-Related Fatalities—Employees

	2016					2017				
	TOTAL	MALE	FEMALE	UNITED STATES	INT'L	TOTAL	MALE	FEMALE	UNITED STATES	INT'L
<b>Work-Related Fatalities</b>	0	0	0	0	0	0	0	0	0	0

#### EMPLOYEE WELL-BEING

Southwire is moving outside of the traditional wellness model to an integrated total "Well-Being" approach. Positively influencing the physical, emotional and financial well-being of employees and contractors requires a comprehensive approach and focus on the "Employee Experience." Southwire's holistic view covers a broad range of benefits—Southwire Total Rewards—as well as on-site support to encourage employees to make healthy lifestyle choices.

<b>My Health</b>		<b>Am I making the right choices to optimize my health?</b> Fitness, Nutrition, Medical Options, Mental Health, Disease Management
<b>My Life</b>		<b>Am I happy with my life and my relationships?</b> Work/Life Balance, Relationships, Stress Management, Happiness, Safety
<b>My Career</b>		<b>Am I serving a purpose and taking pride in what I do each day?</b> Pride in work, Inclusive and Diverse environment, Engagement, Growth
<b>My Future</b>		<b>Am I planning and making decisions for tomorrow?</b> Retirement, Investments, Decisions for the future
<b>My Pay</b>		<b>Am I being smart with my money?</b> Budgeting, Loans, Legal, Financial Security
<b>My Community</b>		<b>Am I making a difference in my community?</b> Volunteering, Support, Safety, Resources

#### Southwire Total Rewards

Southwire provides a broad and connected approach that promotes employee well-being. Southwire Total Rewards offers an extensive range of rewards to support diverse family needs and structures, extending into our inclusivity strategy of providing choices.

To better connect Southwire families to these rewards, we created a comprehensive offering that connects actions to benefits for employees. For example, rather than simply offering medical benefits, Southwire encourages "Focusing on my Health." Instead of paying for time off, Southwire promotes "Living my Life." This approach focuses on the "Employee Experience" for each Total Reward category.

In 2017, Southwire continued our journey toward ONE Southwire for Total Rewards. This included adding paid parental leave, vacation buy-up for salaried employees and short-term disability benefit expansion for hourly employees. Southwire offers:

- > Up to four weeks' vacation (calendar year);
- > Vacation buy-up plan allows salaried employees to buy up to five days of additional vacation;

- > 11 total holidays comprised of set and floating holidays;
- > Bereavement Leave (maximum of four days in some cases);
- > 26 weeks of short-term disability benefits (extended from 12 weeks) for hourly employees;
- > Three days of paid parental leave for mothers and fathers for the birth or adoption of a child (benefit is expanding to two weeks in 2018); and
- > Flexible work schedule policy for maternity transition (salaried employees).

In 2017, we began measuring our overall participation rate in Total Rewards choices as an indicator of our ability to meet employees' diverse and changing needs. We achieved our target of reaching over 90 percent participation in the Total Rewards choice.

#### **On-Site Support**

Research shows the importance of making health and wellness easy for employees by creating a health-oriented environment. To encourage employee and contractor health, Southwire maintains a tobacco-free policy. All Southwire locations prohibit smoking and other use of tobacco on Southwire property.

Southwire also gives employees the opportunity to make healthy choices through:

- > **Medical Facilities.** In the Carrollton, Ga. area, home to approximately 40 percent of our workforce, we offer an on-site medical center and pharmacy that has operated for more than 20 years. Our services are comprehensive and cost-effective.
- > **Nutrition Programs.** Southwire presents nutritious options in our on-site cafeterias in Carrollton and vending machines at most locations. We list healthful cafeteria options at a reduced price to encourage their consumption; track healthy purchases to better understand and accommodate employee preferences; and offer payroll deduction at vending locations to improve access. We set a goal to provide healthy choice options at 100 percent of our locations by 2018. In 2017, 80 percent of Southwire locations had access to healthy choice options, up from 70 percent in 2016.
- > **Exercise Programs.** We have on-site fitness centers and subsidize fitness club memberships where on-site centers are not available. In addition to exercise equipment, our newly updated fitness center in Carrollton also coordinates group fitness and education classes, team sports and company athletic leagues. Intramurals include volleyball, softball, basketball, flag football and more. We track employee participation to better understand the effectiveness of our efforts to engage employees in physical fitness. Our facilities' employee utilization rate for 2017 was 34 percent, with some variation by season. This utilization rate does not include the 634 retirees, spouses, and dependents that also joined us in 2017.
- > **Activation Events.** These events are one of many new opportunities introduced this year to "meet the employee where they are" through a personalized experience. Our goal is to provide a personal one-on-one experience to create awareness and commitment to overall well-being. We will continue to build our well-being strategy in 2018.



2017 SUSTAINABILITY REPORT

LIVING WELL

# TALENT ATTRACTION

Attracting talent through Southwire’s sustainability program, competitive benefits (i.e., Total Rewards) and general outreach; and promoting a positive and unified culture by encouraging open communication, collaboration and employee ownership of initiatives and social programs

### WHY MANAGING IT MATTERS

103-1 ▾

Experts estimate that the United States may soon have a personnel deficit of 20 million. With facilities in small towns across the United States and internationally, Southwire must attract employees both to the manufacturing field and to all of Southwire’s locations while competing for talent with other industries that may be perceived as more innovative and appealing.

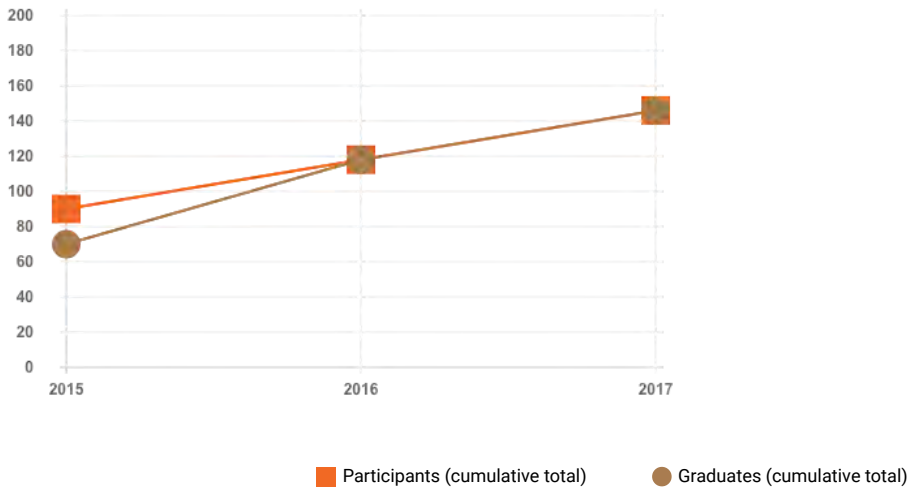
103-2 ▾

### EDUCATIONAL PARTNERSHIPS

Southwire aims to advance and improve educational opportunities and outcomes by working with various state and local educational institutions to enhance the pool of talented candidates for manufacturing and business positions.

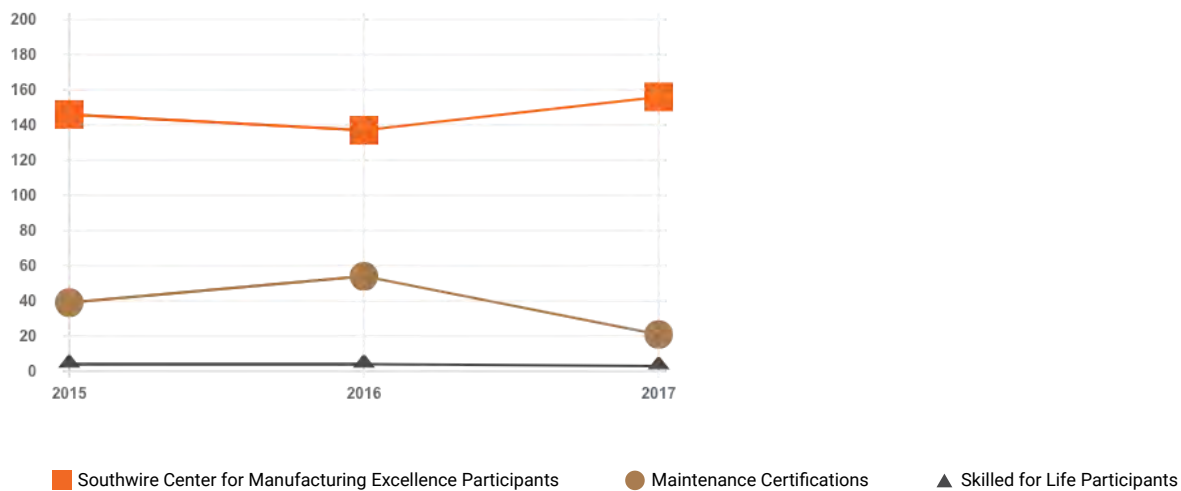
#### Southwire Engineering Academy

Southwire aspires to increase the number of students pursuing degrees in science, technology, engineering and math (STEM). The Southwire Engineering Academy (SWEA), a partnership between Southwire and Carrollton High School, focuses on STEM subjects and provides hands-on experience for students to work with our teams on value-added problem-solving projects, data analysis, value stream mapping and more. In 2017, 17 Southwire mentors and coaches provided 5,189 training hours to students in this program. We plan to expand the SWEA program to other regional Southwire locations in North America by the end of 2020.



#### Southwire Center for Manufacturing Excellence and Skilled for Life

The Southwire Center for Manufacturing Excellence at West Georgia Technical College imparts manufacturing and maintenance skills to students and serves as the inspiration for Southwire’s Skilled for Life program in our Machinery Services Group (MSG). Through the Skilled for Life program, students work for MSG and gain invaluable industry experience. The Southwire Center for Manufacturing Excellence also helps some participants attain their GED to work for our company.



### Southwire Sustainable Business Honors Program

The Southwire Sustainable Business Honors Program, a partnership with the Richards College of Business at the University of West Georgia, seeks to boost the number of candidates with sustainability backgrounds for high-level executive positions. The academic portion of the program combines business and sustainability learning. In just four years, participants can obtain bachelor's and master's degrees in business administration, along with a certificate of sustainability. Additionally, to provide hands-on experience, Southwire pairs participants with product managers and division presidents.

Southwire's contribution includes up to 40 percent of the Southwire program management's time (during the heart of the semester) and approximately \$1.1 million to the partnership. Two students, from the first cohort of three students, completed the program—one in 2016 and the second in 2017. The second cohort will graduate three students in 2018.

### 12 for Life®

Another educational recruitment program is Southwire's 12 for Life® program, which provides kids at risk of dropping out of high school with jobs inside a modified Southwire manufacturing environment while supporting them in earning their diploma. The program increases students' familiarity with a work environment while affording Southwire opportunities to train and develop potential employees with limited on-the-job training after graduation. To learn more about this program, visit our [Giving Back](#) page.

## TOTAL REWARDS

To attract and retain talent, we provide a competitive offering of employee benefits. Southwire Total Rewards is a comprehensive offering that connects actions to benefits for employees. For example, rather than simply offering medical benefits, Southwire encourages "Focusing on my Health." Instead of paying for time off, Southwire promotes "Living my Life." This approach focuses on the "Employee Experience" for each Total Reward category.

In 2017, Southwire continued our journey toward "ONE Southwire" for Total Rewards. This included adding paid parental leave, vacation buy-up for salaried employees and short-term disability benefit expansion for hourly employees. Southwire offers:

- > Up to four weeks' vacation (calendar year);
- > Vacation buy-up plan allows salaried employees to buy up to five days of additional vacation;
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- > Flexible work schedule policy for maternity transition (salaried employees).

## TALENT ACQUISITION & RETENTION

Southwire's current recruiting process seeks to strengthen our talent acquisition and track the status of recruits through weekly reporting. We process professional openings in a consistent, structured manner, supported by a recruiting and applicant tracking system that follows applications and key metrics such as:

- > Time to hire;
- > Candidate diversity;
- > Total cost of recruitment for open positions;
- > External offers accepted versus rejected; and
- > The number of positions filled internally versus externally.

We also track turnover rates and conduct exit interviews to determine the reasons employees leave and the consequent cost of employee turnover for the organization.

		2016	2017
<b>New Employee Hires</b>	Total	1,570	1,101
	Rate	23.0%	15.6%
<b>Employee Turnover</b>	Total	950	1,044
	Rate	13.9%	14.8%

103-3 ▾

In 2017, our Talent Acquisition team focused on candidate experience, recruiting processes and technology standardization across the organization. For production recruitment, we shifted our hiring practices from quarterly recruitment cycles to using a requisition-based recruiting and pipeline building approach. This change in practice allowed us to put the applicant experience first and focus on targeting the right candidates based on company needs.

#### Technology Platforms

By leveraging technology solutions that maximize our recruiting and onboarding initiatives, we were able to make data-driven talent decisions and build efficiencies into our recruiting processes. Our Talent Acquisition platforms also provided us with the ability to extend our reach through targeted social media campaigns, job board advertising and branded building outreach campaigns.

#### Consumer-Centric Experience

Southwire also shifted our recruiting approach to provide a personalized consumer-centric experience. These experiences placed special focus on branded touch points from applicant to offer and real-time updates on candidate status. At many facilities, we hosted creative hiring events and showcases meant to build the Southwire brand and engage potential future hires. Robust and branded New Employee Onboarding experiences also evolved to immerse new employees into the Southwire culture on day one.

#### Inclusive Recruiting

With an ever-changing socioeconomic demographic, Southwire made inclusive recruiting initiatives a priority. Training opportunities for our recruiters focused on bias screening and prevention, manager relationship building tools, negotiation techniques and other useful interviewing techniques. Through strategic partnerships, we extended our talent reach and recruitment marketing efforts to capture more applicants who are non-traditional students, women, minorities, military veterans and those who have alternate abilities.

#### College Recruiting

Southwire continued to grow our college recruiting and college relations programs, extending our partnerships with historically black colleges and universities, women's colleges and technical colleges. We hosted our inaugural one-day Southwire University Experience in which 80 STEM and business students participated. Our Talent Acquisition team continued its participation in the Georgia Association of College and Employers (GACE). Additionally, college-recruiting activities continued at Georgia Tech, Kennesaw State University, North Carolina A&T State University, Auburn University, Purdue University, the University of West Georgia, Mercer University, Mississippi State University, the University of Georgia, Indiana University of Pennsylvania, Clemson University, Georgia State University, the University of Alabama and the University of Mississippi.

Partnerships with Georgia Tech's Office of Minority Educational Development (OMED), Auburn University's 100 Women Strong and the University of West Georgia (where we sponsor the Southwire Sustainable Business Honors Program) continue to strengthen Southwire's branding and community relations in a mutually beneficial manner. For example, some Southwire Sustainable Business Honors Program students intern at Southwire, providing us with an emerging talent pipeline.

#### Student Opportunities

Southwire enhanced and continued to grow the Engineering Co-op program, the internship program and part time student program. Our Corporate Accounting and Finance department also continued the Finance Rotational Program to recruit entry-level graduating students. Lastly, our Human Resources department expanded its rotational program to build its pool of potential Human Resources Managers.



2017 SUSTAINABILITY REPORT

LIVING WELL

# EMPLOYEE ENGAGEMENT & DEVELOPMENT

Providing employees with opportunities to advance their skills, experience and career through training, personal development programs and plans, coaching and more

## WHY MANAGING IT MATTERS

103-1

Engaging employees at all our locations creates a win-win situation for Southwire: employees feel connection to and meaning in their work, which drives our financial bottom line through increased productivity and initiative. For Southwire to retain employees and develop leaders to continue our prominent role in the market, we must leverage technology, give employees experiences they would not receive elsewhere and help employees connect to our culture.

103-2

ONE Southwire means we will act as a unified company by sharing our values, culture, commitment and processes. As we continue our ONE Southwire journey, we will focus on our strategic initiative to Build Organizational Capability. We will do this by strengthening the organization for growth, investing in our talent and engaging with our employees.

Southwire’s approach to employee engagement intertwines with talent development. By offering unique professional development opportunities, employees enhance their skills, increase their comfort taking risks and heighten levels of engagement.

## PERFORMANCE MANAGEMENT

As Baby Boomers leave the workforce, both Generation X and Millennials will need to take leadership positions—Millennials at a younger age than previous generations of leaders. In the past, leaders spent time learning on the job; in the future, employees will need to learn more quickly before taking leadership roles.

The Coaching Guide is a tool that acts as a catalyst to the performance management process by helping employees better understand their personal strengths and gaps through a competency model. The process focuses on leadership skills and attributes unique to Southwire’s culture—and articulates the specific implications these leadership traits have for fostering our culture and driving high performance.

We also developed a performance guide for managers that illuminates how certain behaviors, competencies and creating a “line of sight” for employees to connect to Southwire’s vision and strategy contribute to our company’s success. As part of the rollout in 2017, Southwire completed training across the organization for all executive, senior leadership, directors and site leader career bands who participated in performance management. We are rolling out performance management to employees in the manager career band in 2018, followed by technical and individual contributors and supervisors in 2019. (See disclosure 404-3 below.) Our updated performance management model includes tracking objectives and performance coaching conversations in SuccessFactors, an application that “turns purpose into performance by connecting people to company purpose.”

404-3

EMPLOYEES PARTICIPATING IN PERFORMANCE MANAGEMENT		2016	2017	2018 TARGET	2019 TARGET
<b>By Employee Category</b>	Executives	100%	100%	100%	100%
	Senior Leaders	100%	100%	100%	100%
	Site Leaders/ Directors	100%	100%	100%	100%
	Managers	0%	0%	100%	100%
	Individual/Technical Contributors and Supervisors	0%	0%	0%	100%

**ONE Southwire means we will act as a unified company by sharing our values, culture, commitment and processes. As we continue our ONE Southwire journey, we will focus on our strategic initiative to Build Organizational Capability. We will do this by strengthening the organization for growth, investing in our talent and engaging with our employees.**

## LEADERSHIP ASSESSMENTS & DEVELOPMENT

In 2017, we completed leadership assessments that included personalized growth plans for the executive leadership team. Reaching beyond our executive team, the Southwire Leadership Academy develops leadership traits and enhances succession management planning through a competency-based approach. Southwire aspires to graduate 98 senior leaders by the end of Q2 2019. To date, the program has 73 graduates employed at Southwire.

To assess and build the emotional intelligence of Southwire's future leaders, our Leadership Academy includes RocheMartin's Emotional Capital Assessment. To build these key competencies, the week-long academy includes group exercises to increase participants' awareness and acceptance. After the event, Southwire provides one-on-one coaching to participants to help them learn their emotional intelligence strengths and opportunities for development as they grow in their leadership competencies.

Taking place approximately six months after the week-long Southwire Leadership Academy, the Alumni Experience is designed to immerse Southwire's future leaders in a "Day in the Life of the CEO," where attendees gain an understanding of what it means to lead an organization with the size and complexity of Southwire. The program emphasizes Southwire's distinguishing characteristics as an organization: driving for results, creating a caring culture and investing in the communities in which it operates. The Alumni Experience encapsulates building these traits as fundamental to the success of the organization's leadership.

## LEADERSHIP DEVELOPMENT: PEOPLE MANAGERS & FRONT-LINE LEADERS

In 2018, Southwire is launching two fundamental leadership development programs to support our initiative of Building Organizational Capability. People Manager and Front-Line Leadership Training are key components to our human capital strategy. Over the next two years, both people managers and front-line leaders will be trained and expected to master the competencies that have been identified as essential for those roles moving forward.

EMPLOYEE CATEGORY	NUMBER OF EMPLOYEES COMPANYWIDE	TRAINING LENGTH
Front-line Leaders	370	One seven-hour session
People Managers	260	Two 6 ½-hour sessions

Both groups are scheduled to complete classes by the end of October 2018. As we continue to grow, so does our commitment to developing our talent.

## SELF-DIRECTED LEARNING: DEGREED

Southwire offers a series of professional skills development courses through our web-based learning management system (LMS), which enables us to better track, trend and analyze utilization. Degreed is Southwire's self-driven learning platform that allows employees to access learning content through a seamless interface and enriched employee experience. Degreed is the successor to iAm University and is now Southwire's one-stop shop for learning—anywhere, anytime. Through Degreed, all Southwire employees will have the opportunity to:

- > Complete assigned internal and external content/courses;
- > Leverage over 3.5 million high-quality, low-cost/no-cost learning assessments;
- > Create individual development plans and set goals; and
- > Access metrics/analytics to track learning, including academic, professional and informal.

103-3 ▾

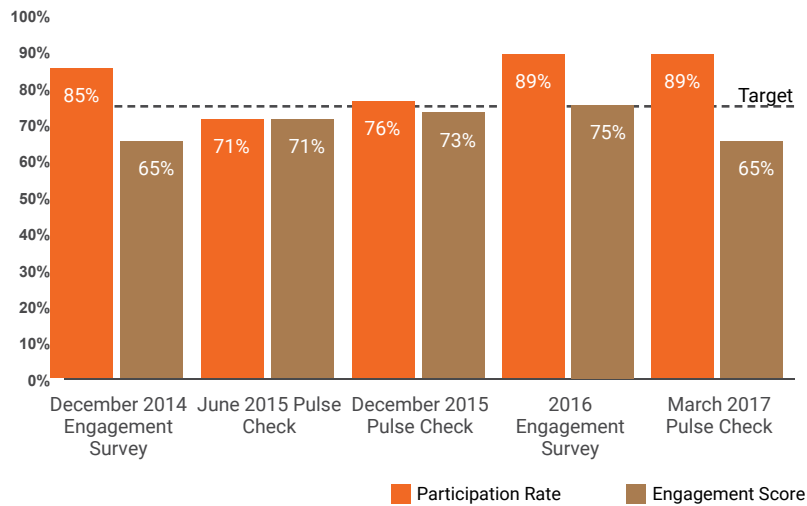
## EMPLOYEE ENGAGEMENT

To identify areas of strength and opportunities to improve engagement, Southwire partnered with a third party to conduct an employee engagement survey every 18 months prior to 2017 and conducted "pulse checks" at six-month intervals between surveys. We provided this anonymous, online survey to all full-time Southwire employees.

Based on the survey results, the company's leaders created goals and plans to sustain success in areas of high achievement and to develop stronger engagement in those categories identified for improvement. In response to the 2016 survey, we focused on key areas of technology, process improvements and information sharing to help translate our high engagement to better business results during 2017.

Southwire's goal was an employee engagement score of 75 percent favorable or higher, which indicates high employee engagement according to our survey creator. We also carefully monitored the number of voluntary survey responses we receive to offer insight into the robustness of our engagement. Our target participation rate was 90 percent. See below for our scores.





Our Pulse Checks revealed a pattern in employee feedback, indicating that six months was not enough time for implemented changes to take effect. We therefore started the process of revamping our approach to Pulse Checks, which we began implementing in the first quarter of 2017.

In December 2017, we did not complete our regular Pulse Check; instead, we opted to send a letter to Southwire leaders with an update on how the top concerns expressed in the 2016 Engagement Survey were being addressed. These key improvement areas included Communication, Training and Development and Tools for Success. One way we are enhancing communication is through Town Halls hosted by our CEO that are livestreamed to provide employees an opportunity to discuss ideas and areas for improvement they see within the company. After giving time for the improvements to be implemented by leadership, we will conduct an iAm Survey in 2018 that will help set our priorities for the next two years.

We are currently looking at new options to measure employee engagement—one that reflects the health of our culture every day. The instrument selected will be similar to our Voice of the Customer tool that we utilize consistently to stay in contact with and focus on our customers. How engaged our employees are at work is critical to our success and we want to stay in tune with the feelings, challenges and accomplishments of our workforce.



## 2017 SUSTAINABILITY REPORT

### LIVING WELL

# INCLUSION

Creating an environment among Southwire's board and employee population where individuals from diverse backgrounds (ethnic, cultural, generational, economic, etc.) feel included and comfortable expressing varied thoughts and perspectives

### WHY MANAGING IT MATTERS

103-1 ▾

Promoting a culture of inclusivity for diverse individuals—across our employee population and on our board of directors—benefits both our business and our employees. McKinsey found that companies in the top quartile for gender diversity are 15 percent more likely to have higher financial returns than less diverse companies, while companies in the top quartile for racial and ethnic diversity are 35 percent more likely to outperform national industry medians. Further, Southwire, like other companies across the country, is planning for major demographic and social changes over the coming years. We hope to attract and retain the top talent in our industry by promoting a culture of inclusion that values varied thoughts and perspectives. As an employer searching for top talent, and as a responsible supplier, Southwire maintains a strong commitment to ensuring our workforce continues to reflect our complex and evolving world.

103-2 ▾

Diversity extends beyond physical characteristics to include diversity of thought and perspective, which promotes a more innovative and creative environment. At Southwire, we believe an inclusive culture enables talent to flourish and encourages our employees to reach their highest potential. We believe that, if we strive for inclusion, diversity will naturally follow. Weaving employees into our community, regardless of their background, demonstrates to all potential candidates that they have a home at Southwire. Simply stated, Southwire wants employees to feel empowered, see diversity and experience inclusivity.

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**Our Inclusivity Mission: We will foster an inclusive environment that recognizes the value and talent of diverse perspectives, regardless of gender and ethnicity, while at the same time advancing leaders throughout our organization who can unleash sustainable business growth.**

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Southwire focuses on three elements to create an inclusive culture: development, connection and awareness. Avenues for our employees to connect, develop and become aware of other perspectives and learn how people's various backgrounds and experiences bring value to teams and performance include:

- > Involvement in Southwire's Project GIFT® activities, which connect employees with each other and our local communities;
- > Participation in a mentorship program;
- > Contributing to a Sounding Board, which connects employees with executive management in a very open dialogue about Southwire's strengths and opportunities for improvement; and
- > Attending employee resource group functions (see below).

### GOVERNANCE

Southwire's senior vice president of inclusivity and talent management leads the company's inclusion efforts. In 2017, we expanded the outreach of our diversity and inclusivity strategy by introducing two new employee resource groups (ERGs) composed of employees from various business areas. We now have six groups building objectives to create awareness and a more inclusive workplace for women, people of color, veterans, LGBT and a multi-generational workforce in both manufacturing and corporate environments. The ERGs each have an executive sponsor.

To further our inclusion efforts, our Inclusivity Council—comprised of our chief executive officer, his direct reports and champions from each ERG—meets quarterly. The Inclusivity Council allows members of the employee resource groups to provide input directly to the Executive Leadership Team at the quarterly meetings.

In 2017, Southwire revised our inclusion goals, setting new diversity and inclusivity goals for executive vice presidents, senior vice presidents and vice presidents. Performance on these goals will directly affect incentive compensation in 2018.

## POLICIES & COMMITMENTS

As a signatory to the United Nations Global Compact, Southwire fully supports Principle 6, which states: Businesses should uphold the elimination of discrimination in respect of employment and occupation. Southwire's Commitment to Equal Employment Opportunity, last updated in September 2017, is outlined in our Employee Handbook. Additional non-discrimination measures are covered by Southwire's Anti-Retaliation policy, which prohibits retaliation for any protected activity, and Pay Transparency Nondiscrimination policy, which protects employees or applicants who inquire about, discuss or disclose their own pay or the pay of another employee or applicant.

To further encourage an inclusive workplace for our employees, Southwire has an Anti-Harassment policy and provides disability accommodations, religious accommodations and paid time for nursing mothers. For details on these policies, refer to the Employee Handbook (effective January 2018) under Related Resources. Southwire is also opening a Commuter Hub in Atlanta to provide a more flexible working arrangement for many of our salaried employees. To further accommodate our employees, we will expand our paid parental leave to two weeks for eligible full-time employees in 2018.

## EMPLOYEE RESOURCE GROUPS

To further our inclusivity mission of fostering an inclusive environment that recognizes the value and talent of diverse perspectives, regardless of gender and ethnicity, while at the same time advancing leaders throughout our organization who can unleash sustainable business growth, Southwire actively promotes six employee resource groups. In 2017, we introduced groups to increase connections within our veteran and LGBT communities. Southwire also facilitates and encourages all of these groups through its FUSE intranet site.



- > Inspires employees to create an environment that embraces inclusivity with an emphasis on women.
- > Provides an avenue to encourage networking, embrace collaboration and empower current and future leaders.



- > Fosters a community of inclusivity, diversity and empowerment by valuing all people of color.
- > Serves as a vital resource to promote awareness, cultural differences and the importance of diversity, fostering an environment that encourages investment in the development and engagement of the entire spectrum of Southwire's people.



- > Inspires employees to create an environment that embraces inclusivity with an emphasis on millennials.
- > Provides an avenue to encourage networking, embrace collaboration and empower current and future leaders to master the essences of Southwire.



- > Builds organizational capability by ensuring the workforce is diverse in all levels of leadership throughout manufacturing facilities to achieve business results.
- > Helps to instill a culture of acceptance of all people and develop systems that are more than just words on paper, but inclusion in action. Together Everyone Achieves More.



- > Enriches the lives of Southwire employees by creating deeper relationships with fellow employees, providing opportunities to serve through veteran outreach and awareness events and by engaging in network and career growth opportunities.



- > Advocates for a work environment that respects, welcomes and supports people of all sexual orientations and gender identities and enables them to bring their whole selves to work, allowing them to perform to their full potential.

## INCLUSIVITY TRAINING

Southwire is building our organizational capacity in numerous ways. We are providing across-the-board training for leaders to make Southwire a more inclusive and engaged place to work. In 2017, we conducted an in-person development workshop for directors and above on leading inclusively, with a focus on the importance of microinequities. Southwire provides executive workshops focused on leading inclusively, in-person development learning days for directors and senior leaders, and training for our managers and front-line leaders on leadership competencies. Also, we have a new self-driven learning platform where employees can access assigned tasks or develop themselves in areas they would like to learn or improve.

## DATA MONITORING & REPORTING

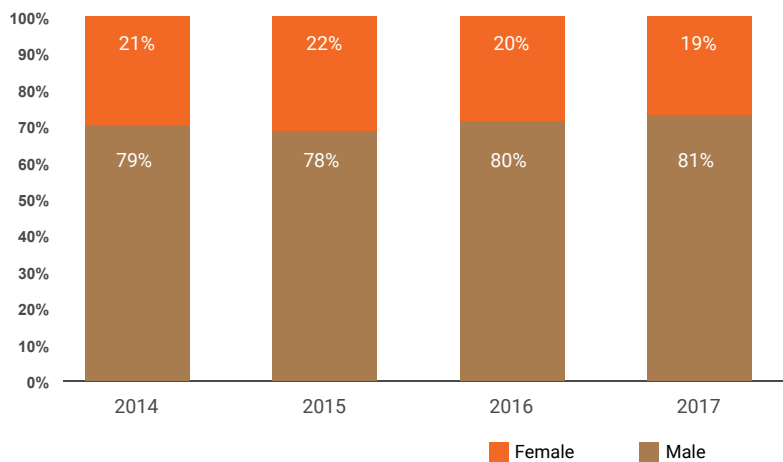
103-3 ▾

To objectively determine the inclusivity of Southwire's culture, we track a variety of metrics. Our quarterly Human Capital Dashboard measures average years of service, percentage of female employees, average age, percentage of minorities, biometric grades and turnover of high potential employees. We report diversity measurements along with national benchmarks quarterly to Southwire's board of directors and senior leadership. We share our performance on some of these metrics below.

405-1 ▾

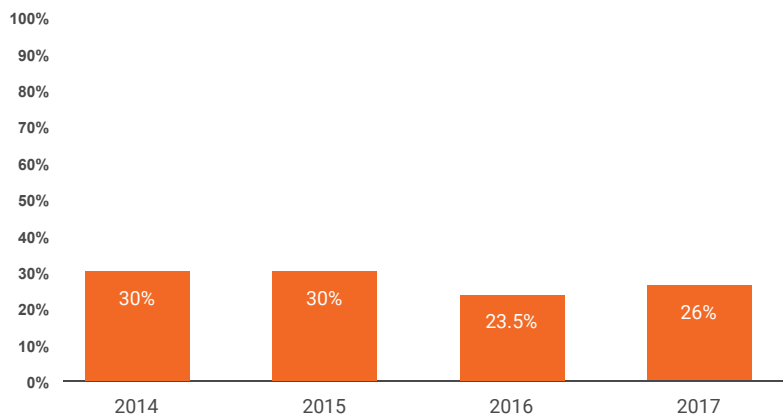
## EMPLOYEES

### Permanent Employees by Gender\*



\*Information on employees through SAP SuccessFactors excludes employee data for Mexico, Honduras, China, the Netherlands and the United Kingdom.

### Diverse Candidates



Our employee engagement survey, which measures the Southwire employee experience, enables us to track inclusion. For example, we ascertain whether there are differences in how various demographics respond to the questions and whether the experience aligns with Southwire's values. Based on employee feedback, we are pursuing a different way to measure engagement that provides a more real-time perspective. Read more on our [Employee Engagement & Development](#) page.

## GRIEVANCE MECHANISMS

Southwire provides numerous channels for employees to raise concerns or submit grievances. When employees deal openly and directly with each other and their supervisors, communications are clearer, and the work environment and work attitudes are more positive. Therefore, through our Open-Door Policy, if employees have concerns about working conditions or the business, we strongly encourage employees to voice their concerns to their supervisor. However, employees may also voice their concerns to any manager at their location, their site manager and/or human resources, all of whom have an Open-Door policy.

The company also has a robust complaint reporting and investigations procedures. Under these procedures, an employee subjected to any conduct that they believe violates Southwire's Equal Employment Opportunity Policy, Anti-Harassment Policy, Workplace Violence Policy or Anti-Retaliation Policy, must promptly speak or write to a Human Resources representative. Likewise, any other conduct that an employee believes may violate the company's Standards of Business Ethics and Conduct Policy should be reported to the employee's supervisor, facility manager, or Legal Department.

Additionally, Southwire employees may use Just Ask, a line of communication to submit questions or concerns related to diversity or inclusion practices through an online or hard copy form, email or phone call. The submission goes to our corporate communications team, which directs the question to the appropriate person to respond, typically within one to two days. The questions/concerns and responses are shared with leadership on quarterly basis. Employees can also submit emails to the champions of each ERG through Southwire's FUSE intranet site.

For more than 15 years, Southwire also has used a peer review process, outlined in the new Employee Handbook, for concerns regarding hourly employees at all non-unionized locations. The peer review group is comprised of the employee's peers and management. Our Waukegan and Pleasant Prairie sites, which are unionized, have their own process.

## GIVING BACK

Our neighbors depend on us, just as we depend on them, so we are committed to improving the quality of life in the communities in which we work. This goes beyond providing jobs and paying taxes; it means supporting those in need with time, talent and financial resources.

### CREATING SHARED VALUE

Southwire focuses on creating shared value—enhancing our competitiveness while improving the economic and social conditions in the communities where we operate. Through Giving Back opportunities, Southwire seeks to positively affect the communities where we operate; to give time and talent above and beyond financial contributions; and to benefit our customers' communities where we can. In doing so, we also build goodwill.

Southwire engages with and supports our local communities in a variety of ways. We strategically focus our community efforts on supporting educational opportunities, through which Southwire enhances employment prospects for community residents while identifying a future talent pool for our company.

### 12 FOR LIFE®

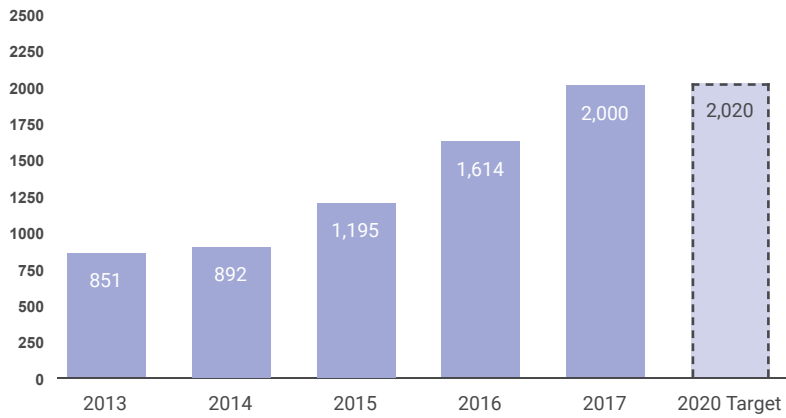
Prior to 2007, the opening year of our signature 12 for Life® program, Carroll County's high school graduation rate hovered at 64 percent, meaning one of three students starting the first grade that year would not go on to graduate from high school. Since Southwire's employment opportunities require candidates with either a diploma or GED, Southwire devised strategies to reverse this trend in collaboration with Carroll County schools. This partnership spawned our award-winning 12 for Life® program.



This program serves the community by providing opportunity, education and employment for at-risk youth, emphasizing that education opens doors to success. The 12 for Life® program combines traditional classroom instruction with jobs inside a modified Southwire manufacturing environment. Students earn wages for their work and, most importantly, learn skills they will need after graduation. We are pleased to report that the graduation rate in Carroll County was **85.7 percent** in 2017.

Since the program's inception, our partnership expanded to include the Florence City Schools in Alabama, and other companies have replicated the 12 for Life® program model. For example, Textron Specialized Vehicles Inc. collaborated with the Richmond County School System on the [Reaching Potential Through Manufacturing \(RPM\) program](#). The state of Georgia and the White House also adopted 12 for Life® as a model for increasing graduation rates. To learn more visit [www.12forlife.com](http://www.12forlife.com).

**12 for Life Graduates (cumulative total)**



**2021 SUSTAINABILITY GOAL & TARGETS**

We see additional strategic opportunity for Southwire and our employees in developing a signature environmental program. Therefore, in 2016, we set a new 2021 goal to engage with our communities on environmental issues. This 2017 sustainability report provides our initial update on our progress toward this goal.

Today, limited community involvement exists in the areas of environmental stewardship and awareness. Southwire is currently working to develop a signature program, with supporting strategy and timeline, to accomplish the following: engage employees at work and within the community; target areas of community impact; and integrate environmental stewardship into our interactions with the community.

**2021 SUSTAINABILITY GOALS & TARGETS**

**ENABLE AND ENGAGE OUR WORKFORCE IN BUILDING MORE SUSTAINABLE COMMUNITIES**



TARGET	2016 BASELINE	2017 STATUS
Launch environmental outreach programs in 100% of the communities in which we operate	4% of communities	4% of communities

**PROJECT GIFT® (GIVING INSPIRATION FOR TOMORROW)**

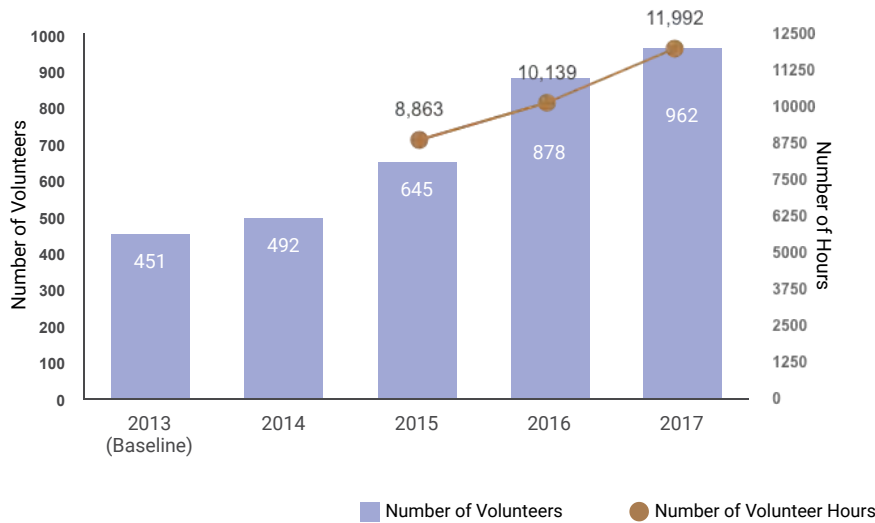
Southwire’s employee volunteer program, Project GIFT®, celebrated its twelfth anniversary in October 2017. This program, a registered 501(c)(3) nonprofit, serves as the umbrella program for many of Southwire’s charitable- and service-related initiatives, such as disaster relief, Toys for Tots and Back to School.



In 2017, Southwire had 24 Giving Back coordinators who volunteer to lead and organize events across our locations in addition to their full-time role. These passionate coordinators make it possible for Southwire employees to engage in Project GIFT®.

Employees become “Blackshirts”—named for the coveted shirts they earn—by volunteering in two or more community service events per year. Southwire aims to increase volunteerism in the communities where we operate by achieving 50 percent improvement in Project GIFT® Blackshirt participation across Southwire by year-end 2018. We use internal channels as well as social media to connect volunteers and update those interested in Southwire’s giving efforts. We exceeded our 2018 target, with 962 Project GIFT® Blackshirts volunteering 11,992 hours across our communities in 2017.

### Southwire Volunteerism



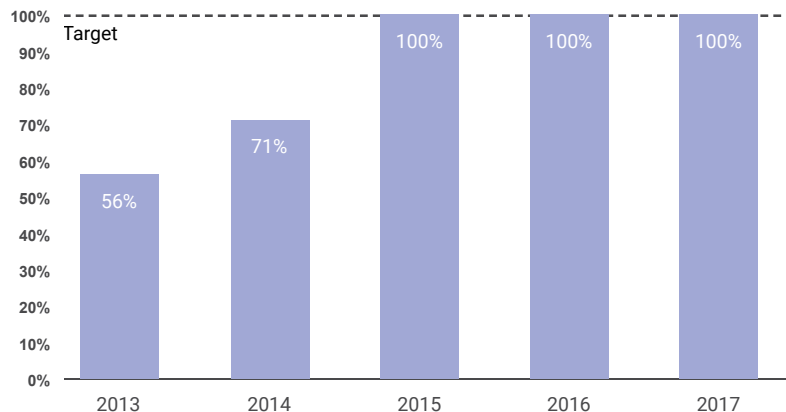
### DISASTER RELIEF

Southwire provides tremendous aid when it comes to Disaster Relief and reviving our communities across the country, including five natural disasters in 2017—Adel Tornadoes (Georgia), Hurricane Harvey (Texas), Hurricane Irma (Florida), Hurricane Maria (Puerto Rico) and the California Wildfires (Northern California). A total of 14 different Giving Back Communities assisted in the relief effort through hosting community or facility collections to gather much-needed relief supplies that were distributed in some of the hardest hit areas. With 412 volunteers working 1,451 hours of relief service, Southwire filled 28 fifty-three-foot tractor-trailers with relief items, including nonperishable food, hygiene items, cleaning supplies, paper goods, baby and pet items, bottled water and more. To learn more, watch [Southwire's video](#).

### BACK TO SCHOOL

We reached our goal of hosting [Back to School events](#) in all 24 of Southwire’s identified communities in North America a year earlier than planned. Together, we distributed more than 22,000 bags of school supplies for students in kindergarten through 12th grade. Additionally, some locations provided free eye and allergy screenings. Some community members traveled almost 50 miles to participate in our programs.

### Back-to-School Event Locations

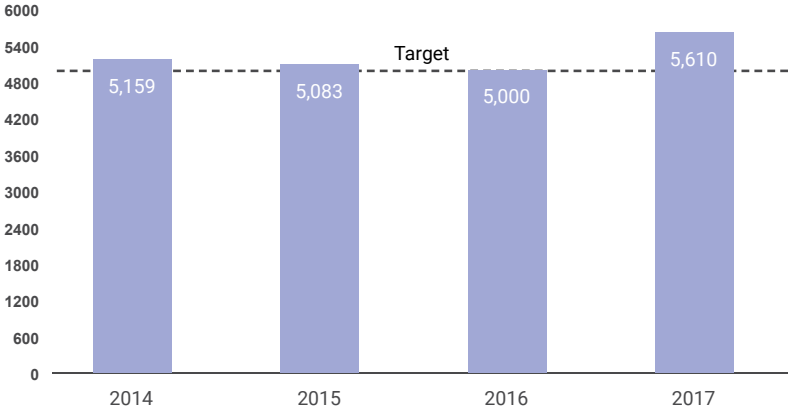


### TOYS FOR TOTS

To brighten the holidays, Southwire collects toys each year for local Toys for Tots chapters. Through the program, we collected 5,610 toys in 2017 and donated them to three different communities in Georgia, Texas, and Alabama. Project GIFT® volunteers now stage a two-day marathon drive open to the community, with a toy collection goal for each year of 5,000. Last year, with the help of our sponsors including Southwire, Associated Credit Union, Metro West Realty, Georgia Power, R&R Enterprises Inc., West Georgia Technical College, Times Georgian, Megabytes Digital, Gradick Communications and the University of West Georgia Foundation, Southwire and members of the community exceeded our goal by collecting more than 5,000 toys.



**Toys Collected**



## DOING RIGHT

We foster a culture guided by ethical values. We will not forget to live up to those values, even when it might be difficult. And, if we make mistakes, we will be transparent and responsive.

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.

We report on our management approach and progress for these two Doing Right topics; click the links below for details.



In 2017, we launched five new sustainability goals. Southwire reports our progress toward these goals for the first time in this report. Our Doing Right goal and 2021 target are:

### 2021 SUSTAINABILITY GOALS & TARGETS

#### ENSURE THE HIGHEST STANDARD OF ETHICAL BUSINESS PRACTICES WITHIN ALL OUR OPERATIONS



TARGET	2016 BASELINE	2017 PROGRESS
<a href="#">Achieve recognition on Ethisphere's World's Most Ethical Companies list by 2021</a>	No ranking	Gap analysis completed, and action plans developed

Ethisphere provides an independently vetted, objective measurement of corporate social responsibility and business ethics. Benchmarking against the World's Most Ethical Companies will inspire and inform advancement in Southwire's business practices. Read how Southwire is working toward this target on our [Ethics, Anti-Corruption & Transparency](#) page.

102-12

Southwire signed the UN Global Compact in 2017 to strengthen our commitment to a more sustainable future for our company. This initiative is designed to align strategies and drive operational awareness for companies around universal sustainability topics on human rights, labor, environment and anti-corruption and takes actions that advance societal goals. By becoming a signatory, Southwire joined more than 12,000 participants including governments, NGOs, companies, institutions and association in the world's leading voluntary corporate citizenship initiative. This gives Southwire the opportunity to share our vision as we support collective endeavors toward global progress. To learn more about our commitment to the Global Compact, click [here](#).



2017 SUSTAINABILITY REPORT

DOING RIGHT

# ETHICS, ANTI-CORRUPTION & TRANSPARENCY

Ensuring policies, communications and training are in place to promote ethical behavior (e.g., anti-corruption, bribery, extortion, money laundering, fraud and tax evasion); operating an internal audit program; maintaining a whistleblower policy and other means to safely and anonymously report transgressions; and providing accurate and transparent reporting regarding company performance, challenges and opportunities for improvement

## WHY MANAGING IT MATTERS

103-1

Ethics, anti-corruption and transparency are the foundation of our strong, sustainable company. As a signatory to the United Nations Global Compact (UNGC), Southwire fully supports Principle 10—Businesses should work against corruption in all its forms, including extortion and bribery. Further, customers compare suppliers according to their own standards or compliance requirements. By operating in an ethical, transparent manner in all our operations globally, we earn our license to operate and minimize risk to our company's reputation. We expect all our business partners to operate according to our ethical standards.

103-2

Southwire monitors and mitigates risks—both within our business and beyond our operations—by providing robust ethics training to employees, engaging suppliers and adhering to and creating policies to support standards. Our leadership espouses the highest levels of integrity, and employees follow their example. In July 2017, Southwire became a UNGC signatory, providing the company with additional access to best practices and industry experts for ethics, as well as strengthening our commitment to ethical business practices. Read about Southwire's [governance structure and practices](#). Through our ethics, anti-corruption and transparency, we are strengthening our business while Doing Right.

## 2021 SUSTAINABILITY GOAL & TARGET

In 2017, we launched a new goal related to ethics and transparency to ensure the highest standard of ethical business practices within all our operations by achieving recognition on Ethisphere's World's Most Ethical Companies list by 2021. Southwire finds it important to have an independently vetted, objective measurement of corporate responsibility and business ethics. Benchmarking against the World's Most Ethical Companies will inspire and inform advancement in our business practices. In this 2017 Sustainability Report, we provide our first progress report on this goal.

## 2021 SUSTAINABILITY GOALS & TARGETS

### ACHIEVE BEST IN CLASS SAFETY PERFORMANCE AT SOUTHWIRE



2021 TARGET

Achieve recognition on Ethisphere's World's Most Ethical Companies list by 2021

2017 PROGRESS

Completed benchmarking survey with Ethisphere

Communicated status of report to management and convened a team of experts to prioritize strategic initiative and action plans to address areas of opportunity and process improvements

## STANDARDS OF CONDUCT

102-16 ▾

We demonstrate our commitment to ethical business practices by publishing and providing all employees with an uncompromising ethics statement. Our chief executive officer introduces Southwire's code of ethics through a 10-minute video during new hire orientation. The [Standards of Business Ethics and Conduct](#) outline Southwire's mission, business philosophy, values and standards. We continually review our Standards, with a plan to provide an updated version in 2018.

## TRAINING

### Ethics Training

At Southwire, we strive to go beyond compliance requirements. Salaried and hourly employees receive annual ethics training to remain familiar with our ethical code and compliance topics, such as bribery and anti-trust. During our biennial ethics refresher meeting, we share examples of practices that technically comply with the law but do not live up to our values or the spirit of the law. We emphasize that these scenarios conflict with our culture and can undermine our stakeholders' positive view of Southwire.

As Southwire continues to grow through acquisitions, ensuring aligned codes of business ethics with the acquired companies will help Southwire maintain customer and supplier relationships and the company's brand and reputation. In 2017, we adopted a policy to train all new employees who join the company in connection with an acquisition on our policies including anti-corruption and ethics.

### Anti-Corruption Training

We firmly reject any corrupt business activity and take measures to ensure our business activities advance internationally without ethics incidents. Southwire provides anti-corruption training to executives and other salaried employees based outside the U.S. (particularly beyond North America). Further, we require mandatory training for all employees who travel abroad for business purposes to prepare them for possible encounters with corrupt activities. We conduct training in our employees' native language to ensure clarity. This training includes safety protocols which, combined with our travel policies and procedures, allows us to track the locations of our employees as they travel and to swiftly extract an employee in the case of an in-country emergency.

## REPORTING ETHICS CONCERNS

102-17 ▾ 103-3 ▾

Southwire completed implementation of an online Code of Ethics training and conducted an employee survey for all salaried employees. All individuals are asked to indicate if they are aware of any ethics violations. Employees and stakeholders may report any ethics concerns to supervisors or our legal department via hotline or email. In the U.S., these reports can remain anonymous. Southwire thoroughly investigates all indications of ethics violations. For a company of our size, historically we have had few incidents, violations or litigation.

## HOLDING SUPPLIERS ACCOUNTABLE

To demonstrate our commitment to ethical business along our supply chain, Southwire enforces our [conflict minerals](#) and [human trafficking](#) policies, both of which are publicly available on our corporate website. Additional detail about our supplier policies and programs can be found [here](#).

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**"I've never worked with a company with higher ethics and integrity." - Southwire Supplier, 2017**

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## TRANSPARENCY

Southwire believes in providing accurate and transparent reporting regarding company performance, challenges and opportunities for improvement. By continuing to communicate via our annual sustainability report and other channels, Southwire will further build support and respect for the company.

For greater transparency, we engage our stakeholders in a variety of ways. In the infrequent case of a [spill or other release](#) to the environment, Southwire notifies the appropriate regulatory authorities and informs leadership via text and email as soon as possible, as well as its board of directors at regular board meetings. In the case of a high-visibility event, we will inform the public via local press releases.

307-1 ▾

### 2017 Regulatory Actions

DATE	LOCATION	INCIDENT	ACTIONS TAKEN	MONETARY VALUE
March 2017	Denton, Texas	Letter of Non-Compliance from the City of Denton for copper discharges to the sanitary sewer in excess of their permit limit.	The plant is investigating the cause of the violation and will take the necessary steps to eliminate the potential for future exceedances.	\$0

DATE	LOCATION	INCIDENT	ACTIONS TAKEN	MONETARY VALUE
September 2017	Carrollton, Ga.	<p>Notice of Violation by the Georgia Environmental Protection Division related to two air permit deviations:</p> <ol style="list-style-type: none"> <li>1. A temperature monitoring system was out of service for 5.75% of the operating time during the reporting period, which exceeded the 5% acceptable threshold.</li> <li>2. An electrical failure triggered the startup of an emergency generator, and the unit could operate in excess of the 100-hour annual limit.</li> </ol> <p>Impact to the environment was minimal in both cases.</p>	<ol style="list-style-type: none"> <li>1. The monitoring system has been replaced with redundant backups to prevent a recurrence of this deviation.</li> <li>2. The electrical issue has corrected, and new procedures have been implemented to prevent excessive engine run time in the future.</li> </ol>	\$0
October 2017	Houston, Texas	<p>Notice of Violation by the Harris County Pollution Services department related to a sanitary sewer discharge event.</p>	<p>Remediation of the affected areas was conducted immediately, and a plumber was contracted to address the broken clean out caps. Weekly inspections were initiated to ensure no discharges have occurred or are occurring.</p>	\$0

We are pleased to report that Southwire paid no fines for non-compliance in 2017. For more information on other regulatory actions in 2017, click [here](#).



## 2017 SUSTAINABILITY REPORT

### DOING RIGHT

# SUSTAINABLE SUPPLY CHAIN & PROCUREMENT PRACTICES

Ensuring a stable, low-cost materials supply; practicing ethical sourcing requiring current and prospective suppliers to adhere to strict guidelines regarding forced labor, child labor, sexual harassment, and workplace health and safety; factoring human rights, supplier diversity and location considerations into our supplier selection process; evaluating supplier performance through surveys and on-site audits for environmental, social, governance and quality management systems; and adherence to all applicable import laws

#### WHY MANAGING IT MATTERS

103-1 ▾

Focusing on sustainable supply chain management aligns with our ethical values and business goals. Additionally, customers look favorably upon companies with supply chains that are transparent, well managed and without ethical incidents. Southwire's approach to responsible procurement practices and supply chain management focuses on our Tier 1 suppliers. By maintaining a sustainable supply chain and procurement practices, we ensure longevity for our company.

102-9 ▾

As one of North America's largest wire and cable producers, extensive vertical integration of our supply chain limits complexity and helps us guarantee a stable and steady source of inputs for our operations. Additionally, this enables Southwire to apply our sustainable business practices directly to processes that might otherwise fall outside our sphere of immediate influence.

Southwire relies on three main groups for a strong, adaptable supply chain: raw materials providers, logistics and contractors. The primary raw materials we source include metals, such as copper and aluminum, and a wide array of compounds, chemical additives and fillers used to insulate, jacket and construct our wire and cable products. Southwire sources most of these materials from suppliers that mine or manufacture basic feedstocks (e.g., copper cathodes or PVC resin) for Southwire's downstream conversion into raw materials such as copper rod and PVC compounds.

103-2 ▾

Mitigating our negative impacts and maximizing our positive impacts extends beyond Southwire's direct operations. We collaborate and share sustainable business best practices with our key suppliers—large suppliers with whom we have longstanding relationships and/or supply important raw materials—so that every input to Southwire products is made with similar values to those on which we built our family-owned business.

#### GOVERNANCE

Southwire's executive vice president of distribution, sourcing and manufacturing strategy oversees our supply chain sustainability. Southwire also evaluates our Strategic Sourcing Department on the sustainability of our supply chain. We set goals, expanded the reach of current and future audits and are driving sourcing behaviors based on performance expectations.

#### STRATEGIC SOURCING & PROCUREMENT

Logistics are the most complex and extensive aspect of Southwire's supply chain. Effectively managing this complexity drives down costs for our customers and reduces our environmental impact. To the extent practicable, we strategically source raw materials closer to the appropriate manufacturing plant to limit distance traveled, and we use intermodal transport whenever possible. The [Energy & Air Emissions](#) section provides details about our carrier contractors' participation in the EPA's Smart Way Program.

We select our suppliers based on their reputation and demonstrated quality, service, innovative technology, price and diversity considerations. To demonstrate our commitment to responsible procurement practices, Southwire's [Global Supplier Sustainability Manual](#) section 11.2 outlines our expectations regarding suppliers' business conduct. All suppliers in Southwire's Supplier Sustainability Program return the authorized document to Southwire. In addition, we are drafting a human rights clause that will be inserted into every contract in 2018.

## Supplier Diversity

We consider supplier diversity an important aspect of a sustainable supply chain. Operating under Southwire's Strategic Sourcing Department, our Supplier Diversity program ensures that Southwire identifies:

- > Qualified small businesses and those owned and operated by minorities, females or veterans in our strategic sourcing and procurement processes; and
- > Opportunities to foster the development and advancement of diverse businesses, when and where practicable.

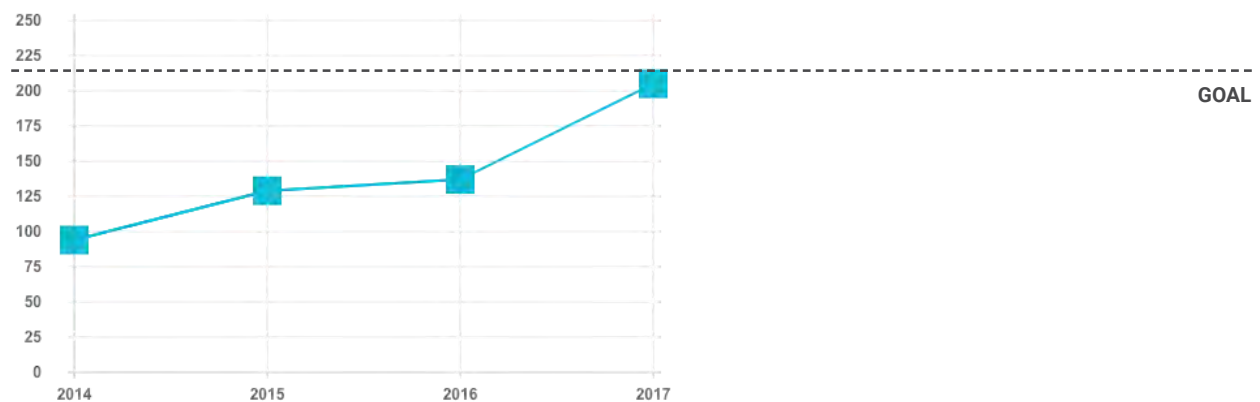
Southwire is an active corporate member of the Georgia Minority Supplier Development Council (GMSDC) and the Greater Women's Business Council (GWBC), which is the regional affiliate of the Women's Business Enterprise National Council (WBENC). Our affiliation with these diverse business groups allows us an opportunity to network and benchmark best practices of organizations in the southeast region. Southwire also provides a direct connection for any of our qualified suppliers interested in obtaining minority certifications.

In 2017, Southwire exhibited at two business expos in Atlanta, Ga. and Houston, Texas. We attended national diversity conferences sponsored by WBENC, the Institute for Supply Management (ISM) and the National Minority Supplier Development Council (NMSDC). We will continue to support and attend similar events in 2018 to identify additional quality suppliers for our internal database.

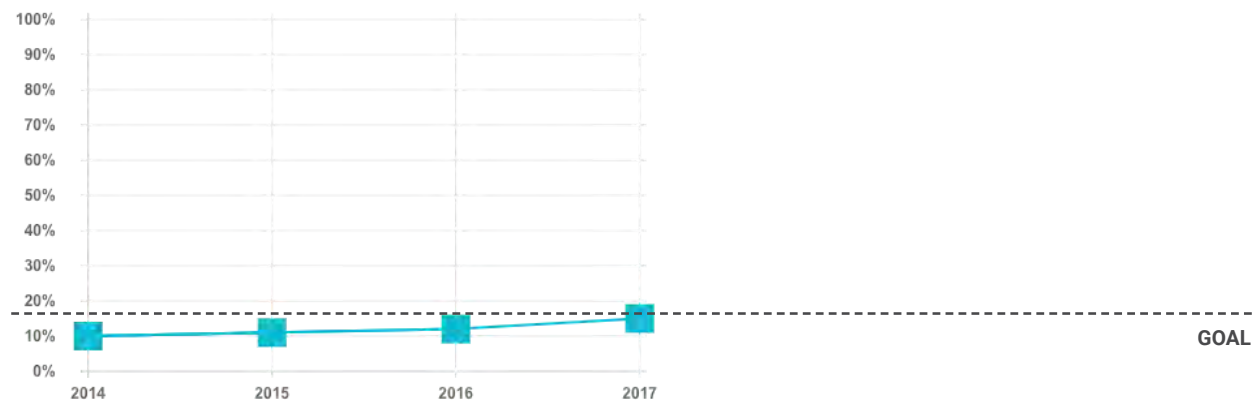
Strategic Sourcing makes concerted efforts to include diverse suppliers in new bids and has contacted existing suppliers to determine whether they qualify as minority owned. Through these efforts, Southwire added 109 new small or diverse businesses to the list of approved suppliers. For example, Carl Owen Construction LLC., a certified woman-owned organization, provided the lowest total cost and was awarded the opportunity to complete a major renovation within Southwire's corporate headquarters. Additionally, one of our long-term suppliers, Davis Wire, obtained certification from WBENC in 2017.

Southwire did more business with Small and Minority owned organizations in 2017 than in the previous five years since standardizing the use of SAP. With this increase in spend, not only did Southwire meet our 2017 target, we surpassed our original target of \$150M for 2018.

Spend on Diverse Suppliers (Millions of Dollars)



Diverse Suppliers (Percentage of Supplier Base)



Some of our larger customers, particularly utilities, have their own supplier diversity goals. To help them attain those goals, we commit to collaborating with diverse businesses and continually assess our progress. We report our expenditures monthly or quarterly to our top utility customers. In addition, Southwire is developing a Supplier Diversity webpage that will include quarterly spend results and highlight our diverse business partners.

## SUPPLIER RELATIONS

Southwire recognizes the critical role suppliers play in our ability to deliver reliable value to customers. To ensure our operations proceed without disruption, we work to uphold our preferred status with our suppliers by maintaining steady demand.

We collaborate extensively with the suppliers of our most significant inputs—copper and aluminum—to identify potential risks and opportunities. For example, we participate in the Copper Club, hold a series of meetings with the American Copper Council, attend the Center for Copper and Mining Studies (CESCO) annual conference and meet with metals suppliers throughout the year.

## SUPPLIER SUSTAINABILITY PROGRAM

Along with our supplier relations initiatives, we actively manage our Supplier Sustainability Program, which expanded to include 31 critical–high-volume and critical component–suppliers. Through this program, we:

- > Distribute Southwire’s Global Supplier Sustainability Manual;
- > Request participants submit environmental, social and governance information annually;
- > Ensure all participants complete an annual sustainability survey; and
- > Conduct an on-site audit of participants’ environmental, social, governance and quality management systems

Through 2017, Southwire has audited 75 percent of the suppliers in our expanded Sustainability Program.

### Global Supplier Sustainability Manual

Southwire’s Global Supplier Sustainability Manual details our expectations with respect to quality, environmental, social and governance practices in our supply chain. Since the program’s inception, we have distributed the manual to 100 percent of suppliers in the Supplier Sustainability Program. Companies acknowledge they have read the manual prior to or concurrent with Southwire’s on-site audits.

### Supplier Sustainability Survey

In 2017, Southwire became a signatory to the United Nations Global Compact. To demonstrate our commitment to Principles 1 through 6, which support human rights and labor standards, Southwire began the process of updating our supplier sustainability survey to verify no use of forced or child labor or other human rights or labor violations within our supply chain.

103-3 102-10

### On-Site Audits

Southwire developed a phased approach to our Supplier Sustainability Program audits. After successfully accomplishing our goal to conduct on-site audits and put in place performance monitoring for critical suppliers in Phase I, Southwire increased our reach to an additional 23 suppliers as a part of Phase II. We are on track to meet our goal to complete Phase II audits by the end of calendar year 2018. The suppliers covered in Phase I and II of this program account for a total of 80 percent of Southwire’s raw material spend (excluding metals).

METRIC	PHASE I			PHASE II	
	2014	2015	2016	2017	2018 TARGET
Supplier Sustainability Program audits completed – Phase I Suppliers	20%	65%	100%	Goal Complete	Goal Complete
Supplier Sustainability Program audits completed – Phase II Suppliers	N/A	N/A	N/A	50%	100%

308-2 414-2

The suppliers in our Supplier Sustainability Program are large, multinational corporations with established supply chain programs. Through our audits of these suppliers, Southwire has not uncovered negative environmental or social impacts.

## METALS SUPPLIERS

Southwire’s metal suppliers belong to the International Council on Mining & Metals (ICMM). The ten principles of the ICMM align with Southwire’s Global Supplier Sustainability Manual. The ICMM encourages dialogue between its stakeholders—governments, international organizations, local communities and others in the supply chain—to ensure adherence to various environmental and social regulations. Additionally, the same suppliers follow the principles of the UN Global Compact, which establish a culture of integrity and help guide the companies to uphold basic responsibilities to people and the environment. Southwire identified one domestic aluminum supplier that is not a member ICMM; that supplier is included in our list of sustainability audits for completion in Q4 2018.

## HUMAN RIGHTS POLICIES

As a UN Global Compact Signatory, Southwire’s [human trafficking](#) and [conflict mineral](#) policies align with our focus on supply chain sustainability. These policies and our Supplier Sustainability Survey, which we are updating in 2018 to explicitly address labor and human rights considerations, demonstrate to our stakeholders that we actively address these pressing social issues, and we associate with organizations that share our concerns. Southwire requires all suppliers to complete a self-assessment outlining whether their materials comply with laws associated with the aforementioned social concerns. Legal experts review these assessments to ensure compliance.



# 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.

Southwire is growing our business in a strong, sustainable manner. We deliver unparalleled innovative products and services, a practice that enables our company to flourish. We seek to reach our greatest potential by continually evolving to match our customers' needs and goals.

Southwire's effort to grow responsibly creates shared value by benefitting all our stakeholders. To continue our legacy of Building Worth, Southwire focuses on the following material topics, each detailed in this report; click the links for more information:



In 2017, Southwire launched five new sustainability goals; we share our progress for the first time in this report. Our Building Worth goal and metrics are:

## 2021 SUSTAINABILITY GOALS & TARGETS

### DEVELOP AND COMMERCIALIZE FOUR BREAKTHROUGH SOLUTIONS TO CUSTOMERS' SUSTAINABILITY CHALLENGES



TARGET	2016 BASELINE	2017 PROGRESS
10% of EBITDA (earnings before interest, taxes, depreciation and amortization) in the funnel	8%	6%
\$1 billion of incremental revenue tied to these solutions (15% of projected 2021 revenues)	\$0	Strategic plan developed identifying relevant vertical markets and adjacent/transformational strategic initiatives

Our success is ultimately driven by how well we solve our customers' needs. Sustainability is a major issue, for companies and individuals, as we work within the constraints of the planet's limited natural resources. And, as part of the broader supply of materials to buildings and energy infrastructure, Southwire must focus on how our customers use our products and how we can jointly benefit society.



## 2017 SUSTAINABILITY REPORT

### BUILDING WORTH

# PRODUCT QUALITY & SAFETY

Paying special attention to product design, installation methods and use and integrating solutions to enhance customer and user productivity and safety; proactively informing customers in the unlikely event of a product recall

## WHY MANAGING IT MATTERS

103-1

Southwire's products are foundational to modern infrastructure and intended to last for decades exposed to the elements or hidden behind walls. Our products are in hospitals, transportation systems, the power grid and other high-reliability industries, meaning people's lives depend on Southwire's product quality and safety. Our products enhance safety and minimize ergonomic hazards, enabling customers and end users to do more work with less effort. Southwire must continue to produce dependable, best-in-class products on which customers and end users may safely rely, minimizing the risk of a product or solution recall or warranty claims that could present a major financial liability for Southwire.

Product Quality & Safety extends from our supply chain through to end users. From product design and specification of the materials we purchase, to the people and equipment we use to manufacture high-quality products, to the training we provide on the safe installation of our products, Southwire directly impacts our product quality and safety.

103-2

Southwire cares deeply about our customers and end users—keeping them safe is the right thing to do. Beyond protecting customer safety, ensuring our products perform—that they are safe, fit for purpose and durable—safeguards Southwire's financial success.

## GOVERNANCE

While Product Quality & Safety is the responsibility of all employees, Southwire has a strong governance structure to ensure our products maintain high standards of safety and quality. During the manufacturing process, our production employees conduct product quality tests, which their supervisors review for accuracy. Quality inspectors—Southwire's lab technicians—perform certified tests for compliance by taking samples and certifying performance; this information is stored in a database for traceability and, in some cases, when requested, reported to customers. Third party auditors conduct spot checks on finished products to ensure they meet listing requirements.

Directors are responsible for product quality of specific product lines, supported by plant managers and supervisors, inspectors and Southwire's global quality leader, who is focused on enterprise-wide quality. Southwire's vice president, quality reports to our senior vice president, sustainability, environment, health, safety and quality, who reports to Southwire's executive vice president/president, international & operations development. Southwire's chief executive officer has ultimate accountability for product quality and safety.

In the Construction Systems & Solutions Group (CSS), Southwire's director of contractor solutions professionals ensures all policies are enforced. Our senior vice president, contractor solutions leads the combined efforts of field service, training, and the data center vertical market. Southwire's executive vice president, Construction Systems & Solutions Group is accountable for the quality and safety of all CSS products.

## POLICIES

Southwire strictly adheres to test plans, which determine the frequency of quality tests, both in the manufacturing process and for finished products. We updated our Quality Policy in the third quarter of 2017, expanding the scope to be enterprise-wide rather than focused only on product and service quality. See Related Resources for this current version of our [Quality Policy](#). In addition, upon forming our Contractor Solutions group in January 2017, Southwire created a policy for all Contractor Solutions personnel to have OSHA 10 certification and all necessary personal protective equipment before they can go to a job site.

# QUALITY POLICY

As we continue to adopt a ONE Southwire approach throughout the organization, we remain committed to Operational Excellence. We will apply our **Culture of Zero** philosophy to quality, continuously improving our systems and processes and consistently providing products and services that meet – or exceed – the expectations of our customers and stakeholders.



A handwritten signature in black ink that reads 'Rich Stinson'.

Rich Stinson, President and CEO

## QUALITY SYSTEMS

Southwire is working to upgrade the International Organization for Standardization (ISO) certifications for our wire and cable manufacturing facilities from ISO 9001:2008 to ISO 9001:2015. With this new standard, we are focused on identifying and prioritizing risks to Southwire and our stakeholders and addressing those risks through our management system. Southwire's Corporate Headquarters, the Carrollton Building Wire Plant, and York Customer Service Center all passed their Stage 1 assessments in 2017. During 2018, 15 facilities, including headquarters, will complete their Stage 2 audits and achieve full certification.

In 2017, Southwire began developing an enterprise-wide quality system that will engage stakeholders across our entire company, from the supply chain to manufacturing functions and service providers. This system uses ISO, our metrics, and our new SAP capability to drive fact-based decision-making and allow Southwire to quickly identify and address issues that need to be improved.

## CONTRACTOR SOLUTIONS

Common injuries sustained during the installation of wire and cable at job sites include back strain and cuts. Southwire designs our products to minimize the potential for these injuries. Our solutions simplify contractors' lives by minimizing job site hazards, redistributing labor hours to get to the next job faster and increasing profits. For example, Maxis Jax™ Reel Stands and *SIMpull Solutions*® minimize or eliminate the need to lift reels in preparation for installation. Southwire's Tools & Equipment business is focused on contractor safety, with wire cutters and crimpers designed to remove knives from the job site.

Beyond product design, Southwire's Contractor Solutions personnel travel to job sites and industry associations to increase awareness and train contractors on the safe use of our products. In 2017, Southwire trained more than 2,000 apprentices through sessions at the Electrical Training Alliance (ETA) (previously called NJATC) and National Electrical Contractors Association (NECA).

Additionally, Southwire's state-of-the-art Thorn Customer Solutions Center showcases our Contractor Solutions product portfolio and provides education and hands-on training for contractors, channel associates, and industry training partners. At more than 18,000 square feet, the Thorn Customer Solutions Center includes classrooms, demonstration job site environments and conference rooms. We trained more than 1,000 contractors at the Thorn Center in 2017, far exceeding our target to train as many as 150 contractors by the end of 2017. As a result, Southwire increased our 2018 goal to train an additional 1,000 contractors at the Thorn Center plus 2,000 more through the ETA.

## SAFETY CAMPAIGNS

In March 2017, Southwire launched a campaign to address contractors' safety concerns. Each month, a blog article highlighted how to "make the impossible possible." This campaign received more than a million views on social media, indicating the demand for safer installation solutions.

## EVALUATION MECHANISMS

103-3 ▾

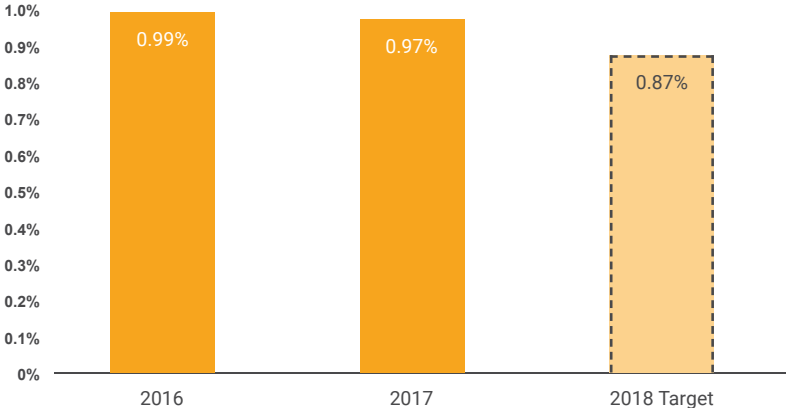
To track our Product Quality & Safety performance, we measure the number of returns as a percentage of total revenue. We also track non-conformance per million feet of product and have stated improvement goals; starting in 2018, these improvement goals will be tracked and integrated into the strategy deployment of the entire operations team.

In the unlikely event of a recall, Southwire publishes details about the specific products affected and reasons for the recall.

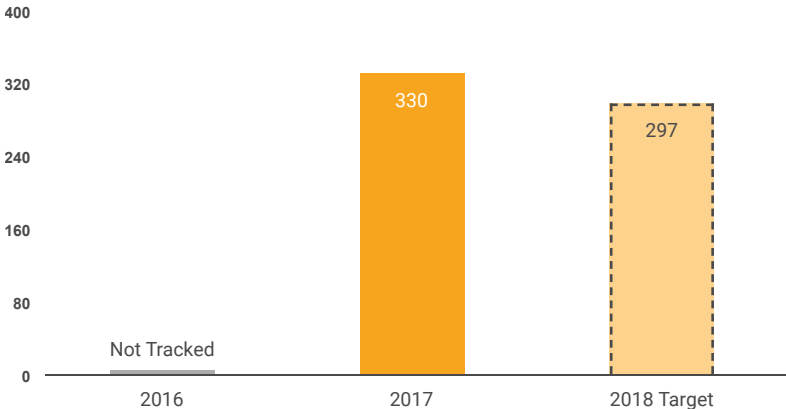
416-2 ▾

Southwire is pleased to report that, in 2017, we had zero incidents of non-compliance with regulations resulting in a fine, penalty or warning.

Quality Related Credit & Return Dollars (Percent of Gross Revenue)



External Non-Conforming Parts: Wire & Cable (Parts per Million Feet)





## 2017 SUSTAINABILITY REPORT

### BUILDING WORTH

# TECHNOLOGY & INNOVATION

Allocating funds to research and development, creation of new technologies and eco-friendly products, investment into defining new areas for product growth, and improving access and sustainability of products and services in the industry

### WHY MANAGING IT MATTERS

103-1

Technology and innovation are critical to maintain Southwire's market leadership and attract a talented workforce. Our success is ultimately driven by how well we solve our customers' needs. Sustainability is a major issue both for companies and individuals as we work within the constraints of the planet's limited natural resources. And, as part of the broader supply of materials to buildings and energy infrastructure, we must focus on how our customers and contractors use our products and how we can jointly benefit society. Our approach to technology and innovation spans corporate functions (product design, marketing, IT, legal and HR), manufacturing operations, customer service centers and sales offices.

103-2

Our investment in and response to innovation opportunities differentiates us among our industry peers. Southwire is proud of the advancements we pursue each year to transform our research and experience into products and solutions on the leading edge of sustainability, safety, satisfaction and efficiency.

We stay abreast of evolving industry standards and requirements and innovate in advance of pending changes. We also listen to and observe our customers and product end users to identify innovation opportunities. Through extensive firsthand research, Southwire takes a comprehensive approach to understanding our customers' needs and behaviors.

Innovation differentiates Southwire in the marketplace, and we include environmental considerations into our product development approach. We closely examine the entire product life-cycle, paying special attention to the product's design, installation methods and use. We strive to make the customer experience seamless, so we integrate our solutions as much as possible—thereby enhancing customer productivity and ensuring the highest standards of user safety.

### RESEARCH & DEVELOPMENT

Our strength in Technology and Innovation stems from our dedication to Research and Development (R&D). Southwire has a rich history of cultivating new ideas and creating customer solutions, which remains integral to our culture. The Southwire Cofer Technology Center houses our world-class R&D team, which communicates with each business unit to learn what solutions to pursue to solve our customers' most pressing problems.

Our business groups communicate the desired solutions based on insights gained from observing and experiencing customers' use of our products. Southwire's innovation is a successful interweaving of the product managers' understanding of customers' needs and R&D's mastering the science necessary to implement a product design that satisfies those needs.

After a performance evaluation by the respective division president, a Specifications Committee formally manages the approval and launch of product innovations, ensuring the product can be manufactured and its performance consistency maintained. Staffed by Manufacturing, Marketing and R&D, the team manages the long-term integrity of any product innovation as it moves from development to full-scale production.

103-3

### 2021 SUSTAINABILITY GOAL & TARGETS

To emphasize our commitment to R&D focused on our customers' needs, Southwire launched an aggressive new Technology and Innovation goal in 2017 with corresponding targets. We are pleased to begin reporting our progress toward our goal in this 2017 Sustainability Report.



## DEVELOP AND COMMERCIALIZE FOUR BREAKTHROUGH SOLUTIONS TO CUSTOMERS' SUSTAINABILITY CHALLENGES



TARGET	2016 BASELINE	2017 STATUS	2021 TARGET
10% of EBITDA (earnings before interest, taxes, depreciation and amortization) in the funnel	8%	6%	10%
\$1 billion of incremental revenue tied to these solutions (15% of projected 2021 revenues)	\$0	\$0	\$1 billion

### CUSTOMER-FOCUSED INNOVATION

Our innovations address specific customer needs, which vary by segment. Southwire's organizational structure supports product innovations relevant for each customer type.

#### Power Systems & Solutions Group

Southwire's Power Systems & Solutions (PSS) Group is composed of the Energy business unit, the Industrial business unit and the OEM business unit. The PSS Group is dedicated to working with customers to provide innovative products, solutions and services that not only meet, but exceed, our customer's expectations, with a foundation in R&D and engineering expertise unparalleled in the industry.

Collectively, the PSS Group introduced numerous innovative solutions in 2017:

- > **Max Storm™ Overhead Conductors.** This product is specifically designed for withstanding heavy ice and extreme wind loads, which cause extreme strain on transmission lines resulting in increased sag and tension. Max Storm™ Overhead Conductors accumulate less ice buildup reducing sag and weight on transmission towers.
- > **Southwire Speed Service.** Launched as an Industrial ordering program, this service allows dedicated account specialists to work with customers and meet their needs for a premium and/or expedited product. Customers requiring unique construction situations are now able to find a timely solution.
- > **HVAC cable offering.** We enhanced this product line with connectors and hand tools specifically designed with mini-split installations in mind. An HVAC point-of-purchase display features straight and 90-degree connectors along with rotary cutters and replacement blades.
- > **Electric Vehicle charging.** To service the electric vehicle (EV) market, Southwire developed a liquid-cooled charging cable for Level 3 EV charging.

#### Construction Systems & Solutions Group

Southwire's Construction Systems & Solutions (CSS) Group is composed of the Electrical business unit and the Tools & Assembled Products business unit. These business units comprise the following business segments: electrical wire and cable for Electrical Distributors, Contractors, DIYers and Retail Outlets and Tools & Assembled Products—which also includes Contractor Equipment. The CSS Group is focused on creating innovative products that help end users of our products and services save time, increase efficiency and, most importantly, increase safety on the job site.

In 2017, we developed and launched several innovative, award-winning products:

- > **Releasable Cable Ties.** Southwire's patented line of heavy duty releasable cable ties, an industry-first, offer a faster, more versatile and less expensive way to bundle, secure and support cables. They are ideal for low voltage, as well as general electrical applications.
- > **MC-PCS Duo™ Power & Control/Signal Cable.** This product offering expanded to include several UL-listed variations to meet our customers' needs. Contractors favored the original product because the efficient design reduced labor and installation costs for use in energy efficient LED lighting by combining power conductors and zero to 10 volt dimming control conductors into one cable. As we continued to grow the product line, we added steel armored MC-PCS cables to complement our aluminum armored MC-PCS cable offering. Additionally, we introduced MC<sup>AP</sup>® Metal Clad All Purpose MC-PCS Duo™ cable and MC-PCS HCF Duo™. These cables simplify the ground make-up and termination process by using the armor as a component of the ground path. With its redundant and robust armor ground path, MC-PCS HCF Duo™ Cable is ideal for use in patient care areas of hospitals, nursing homes, dental offices, outpatient, and other healthcare facilities. For applications requiring use of raceways and fixture whips, we launched FMC-PCS Duo™ Fixture Whip Assemblies. These UL Listed cable assemblies ship in pre-cut lengths with fittings already installed and help to reduce installation and material costs.
- > **LED Lighting.** Southwire Tools & Equipment made a large investment in the LED Lighting category, proven by our additions of the LED Low Bay Light and LED String Lights. These LED lights, which last longer than halogen lights, have had overwhelming success in the Wholesale channel and continue to be requested in the field. Southwire Tools & Equipment plans to continue innovation in this space by adding additional products to this category in 2018.
  - > **LED Low Bay Light.** A 78W fixture that delivers 8,200 lumens, this light consumes less power and lasts longer than halogen light sources. The LED Light features a frosted lens to reduce glare and improve the beam angle.
  - > **LED String Light.** This LED solution applies to any job site application. Available in both 50-foot and 100-foot lengths, the lights feature LEDs on the top and bottom of the modules, offering full job site coverage, as well as offer energy savings due to the larger area each module illuminates.
- > **Southwire's Made in America Hand Tools.** This product line demonstrates our commitment to manufacture additional products in the United States. This line received overwhelming success and positive feedback from the industry as many electricians and contractors continue looking for an American-made product solution. Manufacturing within America is also helping to create a sustainable workforce for future products.

Another notable product includes the *SIMPull™* Flange. Although the *SIMPull™* Flange launched in 2016, it won the *Electrical Construction & Maintenance* magazine's Product of the Year 2017 Award. It is designed to be a time saving, field-installable solution that removes the need to handle heavy jack stands and enables one person to safely turn a wooden reel up to 34 inches and 2,000 pounds on a flat level floor. Each flange rotates independently and allows free movement of loaded wooden reels. The *SIMPull™* Flange is reusable in the field and can be installed on multiple reels throughout the job site.

### SCR Technologies

SCR Technologies designs, manufactures, commissions and supports continuous cast copper and aluminum rod systems around the world with installations in 36 countries. It expanded into adjacent markets by developing new technologies such as aluminum ultrasonic degassing (Ultra-D™) and ultrasonic grain refining (Ultra-G™) systems.

The world leader in continuous cast copper rod markets, SCR system sizes range from seven to 54 metric tons per hour. SCR also holds the number two market position in aluminum, with system sizes ranging from two-and-a-half to 15 metric tons per hour. Its ultrasonic technology can be used in adjacent aluminum markets such as direct chill (DC), die casting (DC) and strip casting.

Through continued system automation focusing on improved safety, operating cost, reliability, quality of product produced and environmental impact, SCR is poised to remain a major player in the non-ferrous metals processing markets.

### EVALUATING OUR PERFORMANCE

In addition to our bold 2021 goal, Southwire measures our success through the number of patents and innovation awards our products win each year.

METRICS	2015	2016	2017
<b>Active patents (U.S. &amp; International)</b>	387	457	Over 480
<b>Patents acquired during year</b>	20	Over 20	Over 20
<b>Innovation Awards</b>	<ul style="list-style-type: none"> <li>&gt; <i>SIMPull™</i> Reel system. Grand Prize Winner, 2015/16 MAX Awards, which honor the biggest innovations in the state of Georgia across all industries</li> <li>&gt; <i>SIMPull™</i> Reel system. Product of the Year, <i>Electrical Construction &amp; Maintenance</i> magazine</li> <li>&gt; MC-PCS Duo™ Cable. 2015 NECA Showstopper Award</li> <li>&gt; EZ-In™ Mini-split Cable. Innovation Award at the 2015 Air-Conditioning, Heating and Refrigeration (AHR) Exposition</li> <li>&gt; EZ-In™ Mini-split Cable. Ranked #2 by <i>Contracting Business</i> (Dec. 2015), Favorite Products of 2015</li> <li>&gt; MaintenancePRO™ Data Logging Digital Multimeter. Showstopper award at 2015 NECA show for our 1519</li> </ul>	<ul style="list-style-type: none"> <li>&gt; MC-PCS Duo™ Cable. Product of the Year 2016, <i>Electrical Construction &amp; Maintenance</i> magazine</li> <li>&gt; Tappan™ Fire Alarm Cable in a <i>SIMPull®</i> CoilPAK™ Wire Payoff. 2016 NECA Showstopper</li> <li>&gt; TechnicianPro™ Bluetooth CAT IV Multimeter. 2016 NECA Showstopper</li> <li>&gt; ACLHS Adjustable Can Light Hole Saw. 2016 Pro Tool Innovation Award.</li> <li>&gt; CT90 Heavy Duty Cable Tie.</li> <li>&gt; FTSP45-75NCT 75' <i>SIMPull™</i> Non-Conductive Fish Tape. 2016 Pro Tool Innovation Award.</li> <li>&gt; MPSCP 8" Linesman Multi-Tool Plier.</li> <li>&gt; 40150N Advanced Dual Range NCV 12-1000V &amp; 100-1000V AC. 2016 Pro Tool Innovation Award.</li> <li>&gt; 40150N Advanced Dual Range NCV 12-1000V &amp; 100-1000V AC. <a href="#">Tools In Action Award</a></li> </ul>	<ul style="list-style-type: none"> <li>&gt; <i>SIMPull™</i> Flange. Product of the Year 2017, <i>Electrical Construction &amp; Maintenance</i> magazine. 2017 Pro Tool Innovation Award.</li> <li>&gt; 7165SW LED String Lights. 2017 NECA Showstopper</li> <li>&gt; CT50 Heavy Duty Cable Tie. 2017 Pro Tool Innovation Award.</li> <li>&gt; ESP-1 Professional DataComm Snips. 2017 Pro Tool Innovation Award.</li> <li>&gt; S1018SOL Solid &amp; Stranded Wire Stripper. 2017 Pro Tool Innovation Award.</li> <li>&gt; CCP9DE 9" Hi-Leverage Cable Cutters. 2017 Pro Tool Innovation Award.</li> <li>&gt; 40040S Pro Continuity Tester with Remote. 2017 Pro Tool Innovation Award.</li> <li>&gt; 16040T Compact Bluetooth Cat III Multimeter. 2017 Pro Tool Innovation Award.</li> </ul>

### COMMUNICATING OUR INNOVATIONS

We share our advances through the Southwire network, newsletters, digital or industry trade press releases, our internal email, advertisements, universities and trade shows. We also share them with our industry partners, such as the National Electrical Contractors Association (NECA).



## 2017 SUSTAINABILITY REPORT

### BUILDING WORTH

# FINANCIAL PERFORMANCE

Focusing on business continuity planning, wise allocation of capital, resource and process efficiency, and delivery of superior products to drive strong long-term financial results

## WHY MANAGING IT MATTERS

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Southwire's ability to make a positive impact for our key stakeholders depends on our financial success. Strong financial performance enables Southwire to pay our employees, suppliers, creditors and shareholders—plus significant federal, state and local taxes, which strengthen our communities. Further, stable financial performance makes it easier to attract motivated employees who want to grow with the company.

103-2

We understand strong financial performance is a prerequisite to obtaining and maintaining lines of credit from our suppliers and lenders, and Southwire models our financial management approach on public companies' best practices. We develop a business plan each year and track performance against that plan. Toward the end of the first quarter, we conduct a gap analysis, develop a forecast and determine how to get back to plan, if needed. Southwire obtains third-party financial audits and links payment of incentive compensation (see Financial Incentives, below) to the auditor's clean opinion statement.

## GOVERNANCE & TRANSPARENCY

Southwire's finance group—responsible for tracking the financial performance of our business groups (Construction Systems & Solutions Group, Power Systems & Solutions Group and International Group)—reports to our chief financial officer. The finance group adheres to strict deadlines and the goal is to close our books in a timely manner for monthly reporting. Our executive leadership team and senior leaders of our business groups review our financial reports monthly in an all-day meeting. This process includes review of variances to Plan, action steps to get back on Plan when needed and a full year forecast discussion. We share our quarterly reports with Southwire's board of directors.

Southwire communicates our financial performance with other stakeholders in a variety of ways.

- > **Shareholders.** Each quarter, we send shareholders a letter with financial performance highlights; we provide detailed financial results on an annual basis.
- > **Employees.** Our chief executive officer provides a summary of our financial performance at quarterly town hall meetings, which are live-broadcast and recorded for Southwire employees. In most quarters, we also update bonus-eligible employees how we are doing compared to Plan.
- > **Creditors.** Southwire holds a quarterly earnings call with our lender base. Prior to the call, we prepare and send a package of materials to this group. We also complete forms, validate compliance metrics and communicate to formal lenders through monthly, quarterly and/or annual reporting.
- > **Strategic Suppliers.** Our financial health also affects our suppliers, so we provide them with assurances that Southwire is profitable. For example, our current ratio—Southwire's current assets over current liabilities—is greater than one, demonstrating our ability to pay both short- and long-term obligations.

## FINANCIAL INCENTIVES

Some measures of our financial performance affect our entire workforce, which receives a financial reward based on achievement of specified financial results. Additionally, most of Southwire's incentive programs, affecting one-third of our salaried workforce, revolve around our financial performance—both from an income statement and a balance sheet perspective.

103-3

## BENCHMARKING

As part of our internal reporting, Southwire tracks our financial performance relative to our public competitors in North America and globally. We review this comparison at a senior leadership level and include this evaluation in our board reporting.



## EXTERNAL EVALUATION

201-1 ▾

As a privately held company, Southwire maintains the confidentiality of our financial performance for competitive reasons.

The ultimate litmus test of financial performance is a set of audited financial statements with a clean opinion, so Southwire engages a large, international third-party auditor to review our annual financials. The banks that loan Southwire money also conduct limited audits.

A consortium of banks, insurance companies and pension funds invest in Southwire through debt instruments. To provide a level of confidence for these investors, we share our financial performance and strategy with rating agencies Moody's and Standard & Poor's (S&P), which provide rating analysis for Southwire. Two recent reports from S&P are available under Related Resources. These reports are reprinted with permission of Standard & Poor's Financial Services LLC, a wholly owned subsidiary of S&P Global Inc, copyright 2017, all rights reserved.

SOUTHWIRE'S  
CURRENT  
RATIO—CURRENT  
ASSETS OVER  
LIABILITIES—IS

>1

THE SIMPULL™  
FLANGE  
WON

EC&M  
MAGAZINE'S  
PRODUCT OF  
THE YEAR 2017

IN 2017, SOUTHWIRE TRAINED MORE THAN

3,000  
APPRENTICES AND  
CONTRACTORS

ON THE SAFE  
USE OF OUR  
PRODUCTS

THROUGH 2017, SOUTHWIRE AUDITED

75%  
OF THE  
SUPPLIERS

IN OUR EXPANDED  
SUPPLIER  
SUSTAINABILITY  
PROGRAM

DIVERSE  
BUSINESSES  
MAKE UP  
APPROXIMATELY

15%  
OF SOUTHWIRE'S  
SUPPLIER BASE

1,684 SOUTHWIRE  
EMPLOYEES

COMPLETED ETHICS TRAINING IN 2017

SOUTHWIRE EMPLOYEES  
VOLUNTEERED NEARLY

12,000 HOURS  
IN 2017

90%  
PARTICIPATION

IN TOTAL  
REWARDS  
CHOICES  
IN 2017

SOUTHWIRE'S  
TOTAL RECORDABLE  
INJURY RATE (TRIR)

DECREASED  
24%  
IN 2017

IN 2017, THE  
SOUTHWIRE  
ENGINEERING  
ACADEMY  
PROVIDED

5,189  
HOURS OF STEM  
TRAINING TO HIGH  
SCHOOL STUDENTS

IN 2017, SOUTHWIRE INTRODUCED  
2 NEW EMPLOYEE  
RESOURCE GROUPS

FOR VETERANS AND MEMBERS  
OF THE LGBT COMMUNITY

100% OF SOUTHWIRE'S  
EXECUTIVE TEAM

COMPLETED LEADERSHIP  
ASSESSMENTS IN 2017

AT THE END OF 2017,

100%  
OF LOCATIONS\*

ACHIEVED  
ZERO WASTE  
TO LANDFILL  
STATUS

IN 2017,  
SOUTHWIRE'S  
CUSTOMERS

RETURNED  
39,332  
RECYCLABLE REELS

SOUTHWIRE  
REDUCED  
ITS ENERGY  
INTENSITY

4%  
IN 2017

\*not including sites acquired in 2016 and 2017



2017 SUSTAINABILITY REPORT

SOUTHWIRE HIGHLIGHTS

# STORIES

## Southwire Speed™ Service

Southwire continues to excel in innovation with the launch of Southwire Speed Service. This new program is an Industrial ordering process in which a dedicated specialist negotiates with customers to meet their needs for a premium and/or expedited product. The products currently included in the program are industrial tray cable, medium voltage, AIA and ARMOR-X® Cable.

If your project has a unique construction situation or an essential deadline, look no further than Southwire Speed Solutions.

To learn more about Southwire Speed Service, please email [SWspeed@southwire.com](mailto:SWspeed@southwire.com).





## 2017 SUSTAINABILITY REPORT

### SOUTHWIRE HIGHLIGHTS

# STORIES

#### Max Storm™ Overhead Conductor

Southwire continues its leadership in innovative customer solutions with the launch of Max Storm overhead conductors. Southwire's Max Storm™ overhead conductors are utilities' answer to extreme weather conditions.

At half the size of the same capacity ACSR conductors, Max Storm™ overhead conductors accumulate less ice buildup, resulting in less sag and less weight on transmission towers. The higher aluminum packing factor reduces the sail area which results in less wind load on transmission lines. Made with high-temperature-tolerant ZTAL aluminum zirconium alloy, an ultra-high strength (UHS) steel core, and mischmetal alloy coating, these cables can withstand higher stringing tensions, extreme heat, and provide the best available corrosion protection. The UHS steel core and strong aluminum alloy result in minimum elongation during extreme load events. This allows for reduced electrical clearances and greater safety margins.





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SOUTHWIRE HIGHLIGHTS

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## Flexible Aluminum Down Tower Cable for Wind Market Segment

Southwire is excited to introduce a more flexible aluminum cable solution for US wind tower manufacturers this spring – flexible aluminum down tower cable. The OEM business unit wrote its first large order with Nordex for this product and even hosted the Nordex team at the Douglas Plant the week of March 27<sup>th</sup> so that they could evaluate the process first-hand.

Key attributes include:

- > EPR/CPE AL RHH construction allows a lower cost alternative to copper cables inside the length of the towers
- > Product has been tested at the Cofer Center and is shown to be oil resistant for many of the oils in a wind turbine
- > Construction allows enough flexibility to run cables from the top of the tower to the bottom and 90 degrees into the tower access box, thus eliminating the need for a 90-degree junction box and an additional copper transition cable

Southwire will continue to pursue opportunities for this product line within current markets and others as well. Developing this cable for Nordex has been about a 2-year approval process and proved to truly be a collaborative effort between the customer, engineering, manufacturing and sales.





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## First of Its Kind

Southwire received an order for a 115kV cable with 5000kcmil segmental copper conductor that has enameled strands in the design. This marked the first order for Southwire with this unique conductor design. The enameled strands in the conductor increase the ampacity over that of a traditional conductor design by reducing the physical property known as skin effect, which occurs in all large cable conductors. Southwire drew the individual strands then sent to a third party to apply the enamel coating on the strands. Once production began, the enameled strands were combined with copper strands to make up the segments which eventually run on the drum twister to complete the conductor.





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### SOUTHWIRE HIGHLIGHTS

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#### Building Wire Plant Hosts Fourth Annual Food Drive

The Building Wire Plant (BWP) in Carrollton, Ga., hosted its fourth annual food drive to benefit elderly communities in and around Carroll County.

The BWP Living Well team hosted the drive, collecting more than 150 boxes of food. After raising \$300 in monetary donations, the team went shopping. According to Tonya Stephens, machine operator and co-leader of the team, BWP employees are always willing to go the extra mile to help those in need.

“We separated employees into 20 teams of five to make it a little more fun,” said Stephens. “The team that donated the most got a prize. The employees at BWP are always willing to give to others, and it makes me proud that I get to work at a company where I get to give back to my community.”



On November 16, the Living Well team accompanied by Skye Entrekin, human resources manager; Ashley Bennett, HR specialist; and Casey Long, plant manager, delivered their collections to senior living communities and centers in Franklin, Ga., and Carrollton, Ga.

According to Stephens, without the support of Wanda Smith, maintenance coordinator and co-leader of the Living Well team, the HR team and the plant manager, the Living Well team would not be able to make an impact in the community.

“When you have a plant manager and an HR presence whose hearts are in the same place as yours, it makes giving back to the community a lot easier,” said Stephens. “They support us 100 percent. It was Casey and Skye’s first year, so they didn’t know anything about our food drive. They wanted to experience delivering it, and they were overwhelmed with the response we received.”

The Living Well team hopes to continue their efforts next year with another food drive.

“We can’t save the world, but we can put a dent in its problems,” said Stephens. “We hope to continue our Giving Back efforts next year.”



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#### El Paso Plant Employees Give Back to Veterans

Employees at Southwire's El Paso Plant recently participated in two local events to celebrate and support military veterans— both in the community and at the facility.

For the first event, employees attended an annual charity car show at Western Technical College, a school from which Southwire frequently recruits maintenance technicians and operators. All five members of the Social Committee attended the event, along with Rick Hernandez, plant manager, and Maria Champlin, human resources manager. Jesus Luevanos, regional sales manager, entered his 1957 Chevy and 1939 Chevy coupe into the show, and Peter Hernandez, maintenance supervisor, took his Ford Galaxy and won Best in Show.



In addition to bringing members of the community together for a fun and entertaining event, the organizers of the car show also selected a nonprofit organization for attendees to learn about and support.

"The car show always supports a good cause," said Champlin. "This year, everyone contributed to The Mission Continues, which helps veteran adjust to civilian life after serving. They do a lot of counseling and job re-training, and they can even help provide housing options."

Southwire used its booth for recruiting, distributing information about the company and helping attendees— some of whom were veterans themselves— know where to apply for available jobs.

"For veterans coming back to El Paso, we want to thank them for their service," said Champlin. "We really take it to heart. We have a lot of veterans at our facility, and a lot of other employees are married to veterans. We want them to know that Southwire is not just a source of income for someone. It's a company that cares for the community, gets involved and helps people out." The plant followed up this event with an onsite Veterans Day celebration in November to honor employees who had served in the military.

"Nelda Patino, our office assistant, and our Social Committee were really integral in making the event so successful," said Champlin. "We had two local high school ROTC teams come and participate with us. We had Canutillo High School sing the National Anthem and do the Color Guard. Chapin High School brought its exhibition teams. We also had a guest speaker, who was a veteran, deliver a special message to our veterans."

One interesting and awe-inspiring facet of the event was the presence of America's White Table. Also known as the Missing Man Table, this display features many symbolic items and seeks to memorialize fallen, missing or imprisoned military service members. One of the sergeants who was in attendance delivered a narration to the guests that explained the symbolism of each item.

"During this time, you could've heard a pin drop," said Champlin. "Everyone was taken aback because of everything that was included on the table and the significance of each piece."

Champlin, who enjoyed seeing employees and their loved ones sharing pictures on their phones, hopes that the event allowed attendees to reflect and remember that Veterans Day is about much more than a day off or a free meal. "We hosted the celebration because we want to recognize our people here," said Champlin. "We are really proud of them. They fought to give us the freedom to be here, to live freely and enjoy our great nation. We wanted to give them the honor that they deserve and may not often receive. If nothing else, we want to make sure they know that they're appreciated at this facility."





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#### Southwire Kentucky Plant Celebrates VPP Star Status

In celebration of its achievement as a Voluntary Protection Program (VPP) Star Site through the Kentucky Safety and Health Program (OSH), the Southwire Kentucky Plant in Hawesville held a flag raising ceremony on Wednesday, May 17.

According to OSH's website, the VPP promotes effective worksite-based safety and health. The purpose of the VPP is to emphasize the importance of, encourage the improvement of and recognize excellence in employer-provided, employee-participative, generally site-specific occupational safety and health programs. In the process, these work sites serve as models for effective safety and health programs in their industries.

"We are very proud of this accomplishment, as we are one of only 12 manufacturing sites that hold this certification in the state of Kentucky," said Brian Blair, plant manager. "It has been an eight-year journey for us, and during this time we have had extensive interaction with representatives from OSH, helping us to achieve this goal."

Throughout its journey to VPP, employees at Southwire's Kentucky Plant worked diligently to understand and identify areas for improvement. Major focuses for these improvements included upgrades or additions to machine guarding, safety equipment and Personal Protective Equipment (PPE) and the implementation of new workplace practices. Employee engagement was also integral to this achievement through the development of ergonomics teams, hazard identification teams and Behavior Based Safety (BBS) teams.

"Our desire during this whole process has been to keep our people safe while at work," said Blair. "We want to build habits that keep all of our employees from injury – whether at work or at home."

As part of the celebration, facility employees, company leadership, OSH executives and state and local officials gathered to share a meal at the facility's River's Edge park. Congratulatory speeches were presented by Ryan Goad, safety manager, Brian Black, OSH partnership administrator, Ervin Dimeny, Kentucky's commissioner of workplace standards and Rebecca Cranford, Southwire's Senior Vice President of manufacturing. Guests were also offered the opportunity to participate in plant tours to see the safety improvements that have been made as part of the VPP certification process.

"Safety is the rising tide that raises all ships," said Black. "You all are leading as the example for safety in the commonwealth of Kentucky, and we are thankful to have you as part of our VPP family."

For more information on the VPP, please visit [labor.ky.gov](http://labor.ky.gov).





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#### Karen Bazela Presents to UWG Business Students

On Oct. 26, Karen Bazela, Vice President of Sales, spoke to business students at the University of West Georgia's (UWG) Richards College of Business (RCOB) located in Carrollton, Ga. According to Bazela, one of the RCOB professors, Simone Lee, reached out to Mandy Baeumel, senior director of employee development, looking for a guest speaker. Baeumel contacted Bazela, who prepared a presentation on the retail channel for the class.

"I wanted to keep it high-level and not get too far into the weeds," said Bazela. "I really wanted to help them understand how Southwire views the retail market from a vendor perspective. One of the common misconceptions that I was able to address is that, if we sell to The Home Depot, we sell to every single store. Instead, we sell to The Home Depot in Atlanta, which manages the other stores all throughout North America. My overall goal was to help them understand what's most important to us and how we manage the business."



Throughout her presentation, Bazela provided a brief overview of Southwire's products, plants and customer service centers, allowing students who may not be from the West Georgia area to learn more about the company. She also highlighted many important parts of the organization's retail business, including the process of introducing new products, pricing, promotions and the use of planograms.

For Bazela, the experience brought her back to her alma mater and inside a familiar classroom. Serving as a guest speaker also reminded her of a similar encounter from her own time as a student.

"It was neat to go back to that building and into the same classroom that I took one of my final classes in as a senior," said Bazela. "It was Strategic Management. It was really hard, and I still remember it to this day. When I was in that class, Lee Richards came and spoke, and at the end of his presentation, I went up to him and asked how I could work for Southwire. He advised me to apply in Personnel and look into getting an internship. The next day, that's exactly what I did. The stars aligned, and within a week, I was a Southwire employee."

Bazela, who began her career at Southwire as an intern in Human Resources, manages all the retail business except for Lowe's and The Home Depot. In her position, she oversees three sales channels – hardware, e-commerce and mass merchant – and views her career with the company as a series of opportunities.

"Southwire has presented me with opportunity after opportunity because of my hard work," said Bazela. "I told the students that they need to take advantage of every opportunity that is given to them, continue to learn, never get comfortable and always challenge themselves. Hard work is a big key to success, but you also can't think that you're above something or too good to complete a certain task. If it helps the customer and improves the company, you should be willing to do it."

Feedback from the presentation was positive, and the students remained inquisitive throughout, asking questions about Southwire, Bazela's current role and how to succeed in their own future endeavors. This, Bazela believes, is the true value of these encounters: the chance to inspire and encourage the next generation of business leaders.

"These students are our future," said Bazela. "Just like I had that one, tiny conversation with Lee Richards, here I am doing the same thing with this class of students – and it's already turned into a chance for another person to start at Southwire. One of the students followed up with me and is actually starting as an intern on my team. Who knows what her future holds, and who knows the potential of the other students? They may join the Southwire team one day, but even if they work in other careers with other companies, they know Southwire. They know that it's more than a big building by Target. They could run other companies in the future and choose to do business with Southwire because of that one interaction. You never really know the connection that people will make or the impact you can have."



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### SOUTHWIRE HIGHLIGHTS

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#### Lafayette Celebrates Manufacturing Week

During the first week of October, Southwire's Lafayette Plant participated in the Greater Lafayette Commerce's (GLC) Manufacturing Week as a part of Manufacturing Month, which is observed in October.

This event brought together more than 750 area high school students and educators who partner with area manufacturers with the goal of immersing the future workforce in today's manufacturing environments.

"This is an excellent way for Southwire to expose our future workforce to the new technologies used in manufacturing and to help them better understand the career opportunities that exist in today's manufacturing world," said Dave Metz, plant manager.

Members of the plant's management team led multiple tours and hosted informational sessions to help students and educators have a better perception of manufacturing.

During this week-long event, Tom Murtaugh, local Tippecanoe County Commissioner, joined students and educators for a tour of the Lafayette Plant. According to the commissioner, the tour was an opportunity to learn more about Southwire's products and development.

"It was great to tour Southwire during GLC's Manufacturing Week," said Murtaugh. "It was fascinating to observe the manufacturing of a variety of types and sizes of wire that will be utilized across the globe. I also appreciated the opportunity to discuss challenges and growth potential with the leadership team."

Southwire also participated in manufacturing month by hosting a Women in Manufacturing event at the Energy Center in Villa Rica, Ga., and holding tours of the Thorn Customer Solutions Center in Carrollton for visitors from the Georgia Manufacturing Alliance.



SOUTHWIRE HIGHLIGHTS

# STORIES

## Southwire Celebrates Women in Construction

The National Association of Women in Construction (NAWIC) celebrates the women who work in the industry. The NAWIC is a network which started in Fort Worth, Texas in 1953 and has since been building awareness for women working in the construction industry. From March 4-10, 2017, Women in Construction Week focused on the women who work in the construction trades within the United States.

According to OSHA, the number of women employed in the construction industry rose by 81.3 percent from 1985 to 2007. However, the 2008 recession hit all workers in the construction industry hard. As a result, over 300,000 women left the industry by 2010 to pursue other work.

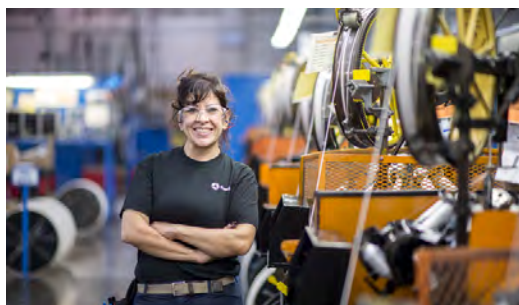
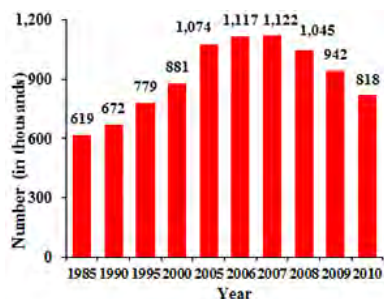


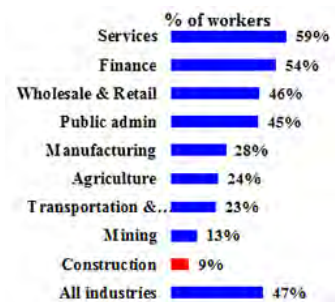
Table I: Number of Women Workers in Construction, Selected Years, 1985–2010 (All types of employment)



Source: OSHA

As of 2014, the Bureau of Labor Statistics reported that women represented 8.9 percent of the 9,813,000 people working in the construction industry in the United States. Alternatively, women in construction represented about 1.2 percent of the entire U.S. workforce in 2013.

Table II: Percentage of Women Workers, by Industry in 2010 (All types of employment)



Source: OSHA

Southwire has developed several initiatives which help develop the future and continued success of women in construction. Most recently, the Thorn Customer Solutions Center offers the Southwire Solutions University. It is an institute which provides all interested subcontractors a facility to get hands-on training on how with SIMpull/Solutions® products in different types of job sites. To learn how to enroll, please contact the Contractor Solutions team by clicking [here](#).

Southwire has also created a [Maintenance Apprenticeship Program](#), which welcomed its first class in January 2017. The two-year program is a joint effort with local technical education institutions to blend industry standards with formal education to train apprentices, specifically senior millwrights and senior electronic technicians. The inaugural class is made up of 20 percent females.



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### SOUTHWIRE HIGHLIGHTS

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#### **FUSE Inclusivity Initiative Launches**

In the first quarter 2017 Town Hall event, Kelley Park, Senior Vice President of talent management and inclusivity, introduced FUSE, Southwire's inclusivity initiative. The launch highlighted the four Employee Resource Groups (ERGs) – Women's Network, NEXTgen, Spectrum and TEAM. Each group is committed to empowering employees to feel valued and work to improve diversity throughout the organization. Park is working to continue expanding the initiative with two new ERGs later in 2017: an LGBT group called ALLIED and OFFICIUM, a group to serve military veterans.





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## **New Southwire Tracking System Improves Materials Management for Utilities**

SAMM (Southwire Automated Materials Management) tracking devices are attached to steel reels and report their location through a satellite network. The devices are beneficial to the customer and Southwire because they allow real-time tracking of costly and critical material. Click [here](#) to watch a video about this tracking system.





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## Power Rangers: Greenbelt Cleanups

Across the PSS Group, employees dedicated their lunch hour to cleaning and maintaining Southwire's section of the Greenbelt. This section expands from the back of the corporate parking lot, to Strickland Road near the Southwire lakes. During this time, employees picked up trash and cleared the trail of any debris.





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#### Southwire Becomes Signatory to United Nations Global Compact

Strengthening its commitment to sustainability, Southwire formally announced that it became a signatory to the UN Global Compact, an initiative for companies to align strategies and drive operational awareness around universal principles on human rights, labor, environment and anti-corruption and take actions that advance societal goals.

The UN Global Compact is the world's leading voluntary corporate citizenship initiative, with more than 13,000 signatories in 170 countries. According to the organization, participants pursue a leadership and engagement approach that incorporates all business functions and integrates sustainability into corporate strategy, operations and culture.

"At Southwire, we want to be a company that is sustainable for generations," said Rich Stinson, Southwire President and CEO. "To do so, we must align with the universal initiatives that ensure our communities around the world continue to prosper and thrive."

For Southwire, participating in the Compact was a step forward in an ongoing journey to discover, develop and distribute strong and sustainable solutions that exceed the expectations of the company's stakeholders across the globe.

"Through our partnership with the UN Global Compact, we have the opportunity to share Southwire's vision as we support collective endeavors toward global progress," said Jeff Herrin, Southwire's Senior Vice President of Sustainability, EHS and Quality. "Becoming a signatory of the Compact allows us to form partnerships with those who share a similar vision. We continue to find new ways to expand our strong commitment to a sustainable company and a sustainable world."

Further building upon the company's commitment, Southwire recently launched its third sustainability report, written in accordance with the Global Reporting Initiative's (GRI) G4 Guidelines Core option. This interactive, online update on the progress of Southwire's commitments features the company's management approach, goals and advancement in its most material, or significant, sustainability topics. The report highlights examples of how Southwire has strengthened its focus in these key areas.

"As we've taken meaningful steps to fulfill our goals for the future of our business and our world, our accomplishments have only been possible through the relentless efforts of our Southwire people," said Stinson. "I am extremely proud to lead this great team as we prepare for the next generation of industry-leading success."

Full access to Southwire's 2016 sustainability report is available at [southwiresustainability.com](http://southwiresustainability.com). Additional information on the UN Global Compact can be found at [unglobalcompact.org](http://unglobalcompact.org).

A leader in technology and innovation, Southwire Company, LLC is one of North America's largest wire and cable producers. Southwire and its subsidiaries manufacture building wire and cable, metal-clad cable, portable and electronic cord products, OEM wire products and engineered products. In addition, Southwire supplies assembled products, contractor equipment and hand tools. For more on Southwire's products, its community involvement and its vision of sustainability, visit [southwiresustainability.com](http://southwiresustainability.com).







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ABOUT THIS REPORT

# GRI CONTENT INDEX

The disclosures for our 2017 Sustainability Report are listed below.

## GENERAL DISCLOSURES

GRI DISCLOSURE	DESCRIPTION	LOCATION
<b>Organizational Profile</b>		
102-1	Name of the organization	Southwire Company, LLC About Our Company
102-2	Activities, brands, products and services	Markets & Products
102-3	Location of headquarters	About Our Company
102-4	Location of operations	About Our Company
102-5	Ownership and legal form	Governance
102-6	Markets served	Markets & Products
102-7	Scale of the organization	About Our Company; To maintain the confidentiality afforded a private company, Southwire chooses not to publicly report total capitalization.
102-8	Information on employees and other workers	Our People
102-9	Supply chain	Sustainable Supply Chain & Procurement Practices
102-10	Significant changes to the organization and its supply chain	About Our Company Sustainable Supply Chain & Procurement Practices
102-11	Precautionary Principle or approach	Southwire does not address the precautionary principle.
102-12	External initiatives	Doing Right
102-13	Membership of associations	Stakeholder Engagement
<b>Strategy</b>		
102-14	Statement from the most senior decision-maker of the organization about relevance of sustainability to the organization and the organization's strategy for addressing sustainability	CEO Letter
<b>Ethics and Integrity</b>		
102-16	Values, principles, standards and norms of behavior	Ethics, Anti-Corruption & Transparency
102-17	Mechanisms for advice and concerns about ethics	Ethics, Anti-Corruption & Transparency
<b>Governance</b>		
102-18	Governance structure	Governance
102-20	Executive-level responsibility for economic, environmental and social topics	Governance
<b>Stakeholder Engagement</b>		
102-40	List of stakeholder groups	Stakeholder Engagement
102-41	Collective bargaining agreements	Our People
102-42	Identifying and selecting stakeholders	Stakeholder Engagement

102-43	Approach to stakeholder engagement	Stakeholder Engagement
102-44	Key topics and concerns raised	Stakeholder Engagement
<b>Reporting Practices</b>		
102-45	Entities included in the consolidated financial statements	As a private company, Southwire does not disclose publicly our financial statements, nor the entities within our operational control.
102-46	Defining report content and topic Boundaries	Materiality
102-47	List of material topics	Materiality
102-48	Restatements of information	About This Report
102-49	Changes in reporting	About This Report
102-50	Reporting period	About This Report
102-51	Date of most recent report	About This Report
102-52	Reporting cycle	About This Report
102-53	Contact point for questions about the report	About This Report
102-54	Claims of reporting in accordance with the GRI Standards	About This Report
102-55	GRI content index	About This Report
102-56	External assurance	About This Report

## TOPIC-SPECIFIC DISCLOSURES

GRI DISCLOSURE	DISCLOSURE DESCRIPTION	REPORT LOCATION OR DIRECT ANSWER	OMISSIONS
<b>Economic Topics</b>			
<b>Economic Performance</b>			
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Financial Performance	
	103-2 The management approach and its components	Financial Performance	
	103-3 Evaluation of the management approach	Financial Performance	
<b>201-1 Direct economic value generated and distributed</b>	Direct economic value generated and distributed	Financial Performance	Confidentiality constraints for 201-1: Direct economic value generated, economic value distributed and economic value retained. Southwire is a privately held company that is not subject to SEC financial statements filing and disclosure requirements. Financial information relating to the creditworthiness of the company is available through publicly available reports published by independent, nationally recognized ratings agencies. Additional information may be provided, upon request, on a confidential basis.
<b>Environmental Topics</b>			
<b>Materials</b>			
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Materials	
	103-2 The management approach and its components	Materials	
	103-3 Evaluation of the management approach	Materials	

<b>301-3</b>	Reclaimed products and their packaging materials	Materials	
<b>Energy</b>			
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Energy & Air Emissions	
	103-2 The management approach and its components	Energy & Air Emissions	
	103-3 Evaluation of the management approach	Energy & Air Emissions	
<b>302-1</b>	Energy consumption within the organization	Energy & Air Emissions	
<b>302-3</b>	Energy intensity	Energy & Air Emissions	
<b>Water</b>			
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Water & Wastewater	
	103-2 The management approach and its components	Water & Wastewater	
	103-3 Evaluation of the management approach	Water & Wastewater	
<b>303-1</b>	Water withdrawal by source	Water & Wastewater	
<b>Emissions</b>			
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Energy & Air Emissions	
	103-2 The management approach and its components	Energy & Air Emissions	
	103-3 Evaluation of the management approach	Energy & Air Emissions	
<b>1.2</b>	Whether offsets were used	Offsets were not used to meet GHG emissions targets	
<b>305-1</b>	Direct (Scope 1) GHG emissions	Energy & Air Emissions	
<b>305-2</b>	Energy indirect (Scope 2) GHG emissions	Energy & Air Emissions	
<b>305-4</b>	GHG emissions intensity	Energy & Air Emissions	
<b>305-7</b>	Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions	Energy & Air Emissions	Information unavailable for 305-7: Persistent organic pollutants (POP), Hazardous air pollutants (HAP) and Particulate matter (PM) are only tracked at a limited number of locations (those required by permit).
<b>Effluents &amp; Waste</b>			
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Water & Wastewater; Operational Waste	
	103-2 The management approach and its components	Water & Wastewater; Operational Waste	
	103-3 Evaluation of the management approach	Water & Wastewater; Operational Waste	
<b>306-1</b>	Water discharge by quality and destination	Water & Wastewater	
<b>306-2</b>	Waste by type and disposal method	Operational Waste	
<b>306-3</b>	Significant spills	Water & Wastewater	
<b>Environmental Compliance</b>			
<b>GRI 103: Management Approach</b>	103-1 Explanation of the material topic and its Boundary	Ethics, Anti-Corruption & Transparency	

	103-2 The management approach and its components	Ethics, Anti-Corruption & Transparency	
	103-3 Evaluation of the management approach	Ethics, Anti-Corruption & Transparency	
<b>307-1</b>	Non-compliance with environmental laws and regulations	Ethics, Anti-Corruption & Transparency	
<b>Supplier Environmental Assessment</b>			
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Sustainable Supply Chain & Procurement Practices	
	103-2 The management approach and its components	Sustainable Supply Chain & Procurement Practices	
	103-3 Evaluation of the management approach	Sustainable Supply Chain & Procurement Practices	
<b>308-2</b>	Negative environmental impacts in the supply chain and actions taken	Sustainable Supply Chain & Procurement Practices	
<b>Social Topics</b>			
<b>Employment</b>			
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Talent Attraction	
	103-2 The management approach and its components	Talent Attraction	
	103-3 Evaluation of the management approach	Talent Attraction	
<b>401-1</b>	New employee hires and employee turnover	Talent Attraction	Confidentiality constraints for 401-1: Hires and turnover by age group, gender and region
<b>Occupational Health and Safety</b>			
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Workplace Safety & Employee Well-Being	
	103-2 The management approach and its components	Workplace Safety & Employee Well-Being	
	103-3 Evaluation of the management approach	Workplace Safety & Employee Well-Being	
<b>403-2</b>	Types of injury and rates of injury, occupational diseases, lost days and absenteeism and number of work-related fatalities	Workplace Safety & Employee Well-Being	Confidentiality constraints for 403-2: Types of injury and absentee rates for employees. Information unavailable for 403-2: Work hours by gender and occupational disease rates for employees not tracked; types and rates of injury for contractors not tracked. No plans to obtain this data at this time.
<b>403-4</b>	Health and safety topics covered in formal agreements with trade unions	Workplace Safety & Employee Well-Being	
<b>Training and Education</b>			
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Employee Engagement & Development	
	103-2 The management approach and its components	Employee Engagement & Development	
	103-3 Evaluation of the management approach	Employee Engagement & Development	

<b>404-3</b>	Percentage of employees receiving regular performance and career development reviews	Employee Engagement & Development	Information unavailable for 404-3: Southwire is currently rolling out a new performance management system and has not focused on tracking participation by gender.
<b>Diversity and Equal Opportunity</b>			
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Inclusion	
	103-2 The management approach and its components	Inclusion	
	103-3 Evaluation of the management approach	Inclusion	
<b>405-1</b>	Diversity of governance bodies and employees	Inclusion	Confidentiality constraints for 405-1: Percentage of individuals within the organization's governance bodies; Percentage of employees per age group and other indicators of diversity
<b>Supplier Social Assessment</b>			
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Sustainable Supply Chain & Procurement Practices	
	103-2 The management approach and its components	Sustainable Supply Chain & Procurement Practices	
	103-3 Evaluation of the management approach	Sustainable Supply Chain & Procurement Practices	
<b>414-2</b>	Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain & Procurement Practices	
<b>Customer Health and Safety</b>			
<b>GRI 103: Management Approach 2016</b>	103-1 Explanation of the material topic and its Boundary	Product Quality & Safety	
	103-2 The management approach and its components	Product Quality & Safety	
	103-3 Evaluation of the management approach	Product Quality & Safety	
<b>416-2</b>	Incidents of non-compliance concerning the health and safety impacts of products and services	Product Quality & Safety	



2017 SUSTAINABILITY REPORT

ABOUT THIS REPORT

# UNGC INDEX

In July 2017, Southwire became a signatory to the UN Global Compact, demonstrating our commitment to supporting the Ten Principles on human rights, labor, environment and anti-corruption. Further, we commit to making the UN Global Compact and its principles part of the strategy, culture and daily operations of our company.

UNGC PRINCIPLE	REPORT LINKS	SPECIFIC SECTIONS
<b>Human Rights</b>		
<b>1. Businesses should support and respect the protection of internationally proclaimed human rights.</b>	<a href="#">Southwire Highlights / Stories</a>	> Southwire Becomes Signatory to United Nations Global Compact
	<a href="#">Sustainable Supply Chain &amp; Procurement Practices</a>	> Strategic Sourcing & Procurement > Supplier Sustainability Program > Human Rights Policies
<b>2. Businesses should make sure that they are not complicit in human rights abuses.</b>	<a href="#">Sustainable Supply Chain &amp; Procurement Practices</a>	> Strategic Sourcing & Procurement > Supplier Sustainability Program > Human Rights Policies
<b>Labour</b>		
<b>3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.</b>	<a href="#">Materiality</a>	> Material Topics
	<a href="#">Workplace Safety &amp; Employee Well-Being</a>	> Collaboration with Unions
<b>4. Businesses should uphold the elimination of all forms of forced and compulsory labour.</b>	<a href="#">Sustainable Supply Chain &amp; Procurement Practices</a>	> Supplier Sustainability Program > Human Rights Policies
<b>5. Businesses should uphold the effective abolition of child labour.</b>	<a href="#">Sustainable Supply Chain &amp; Procurement Practices</a>	> Supplier Sustainability Program > Human Rights Policies
<b>6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.</b>	<a href="#">Inclusion</a>	> Policies & Commitments
<b>Environment</b>		
<b>7. Businesses should support a precautionary approach to environmental challenges.</b>	<a href="#">Growing Green</a>	
	<a href="#">Energy &amp; Air Emissions</a> <a href="#">Water &amp; Wastewater</a> <a href="#">Operational Waste</a>	> Policies

UNGC PRINCIPLE	REPORT LINKS	SPECIFIC SECTIONS
<b>8. Businesses should undertake initiatives to promote greater environmental responsibility.</b>	Sustainability Goals	> 2021 Growing Green Goals
	Energy & Air Emissions	> Energy Management > Strategic Sourcing & Logistics
	Materials	> Streamlining Products & Packaging > Minimizing Materials with Negative Health Impacts > Reusing Materials at End of Life
	Water & Wastewater	> Environmental Management Systems
	Operational Waste	> Materials Minimization
<b>9. Businesses should encourage the development and diffusion of environmentally friendly technologies.</b>	Sustainability Goals	> 2021 Building Worth Goals
	Technology & Innovation	> Research & Development > Customer-Focused Innovation
Anti-Corruption		
<b>10. Businesses should work against corruption in all its forms, including extortion and bribery.</b>	Sustainability Goals	> 2021 Doing Right Goals
	Ethics, Anti-Corruption & Transparency	> 2021 Sustainability Goal & Target > Standards of Conduct > Training