



# 2018 SUSTAINABILITY REPORT



# LEADERSHIP LETTER



Burt Fealing, Sustainability Lead and EVP, General Counsel and Corporate Secretary (L) and Rich Stinson, President and CEO (R)

At Southwire, we remain committed to the sustainability of our company for the next 100 years and beyond. As we strengthen this commitment, we continue to work hard every day to discover, develop and distribute sustainable solutions that exceed the expectations of our stakeholders around the world. Also, as a signatory to the United Nations Global Compact (UNGC), Southwire is pleased to reaffirm our continuing support and commitment to its Ten Principles and their integration into our business.

Building upon this spirit, we are pleased to present our 2018 Sustainability Report. As seen in our past reports, this assessment covers all areas of sustainability at Southwire and highlights 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.

You will read, in the report's detail, many accounts of our successes and challenges over the last year, but as an overview, we'd like to share a few highlights:

## SAFETY

We always, and will always, begin with our efforts toward safety. We've made significant strides toward creating an even safer workplace, as we continually look for ways to increase awareness and implement new processes to keep our employees injury-free. 2018 was our best year in safety in the company's history, as we reduced our injury rate and added new sites to those certified by OSHA VPP as STAR sites, but we aren't stopping here. We will continue to set new goals toward safety, as our ultimate goal is zero injuries.

## STRATEGY

At the beginning of 2018, we launched our five-year strategic plan companywide, structured around growing our revenue and, even more so, growing our profitability. We continue to focus on strengthening our core wire and cable business while emphasizing growth opportunities in our tools, components and assembled products business and keeping an eye on those megatrends and transformational influences that could impact our future.

## GROWTH

In August, Southwire completed the acquisitions of Garvin Industries and ProBuilt Lighting, allowing us to further expand our product offering and reach in the tools, components and assembled products space. We are pleased to share that our acquisitions continue to meet or exceed our expectations in the market, we and look forward to continued success in these businesses.

## SYSTEMS & OPERATIONAL EXCELLENCE

We are also pleased to share that we completed our roll-out of SAP in 2018. Supporting our ONE Southwire approach, improving the quality and timeliness of management information, and driving our operational efficiency as we move forward, this integration allows us to streamline our systems and Drive Operational Excellence across the company.

## INCLUSIVITY & EMPLOYEE ENGAGEMENT

A great deal of consideration goes into the value of our culture and making sure Southwire remains a great place to work. We were honored to be recognized by Forbes on their 2018 list of America's Best Workplaces, and we set forth many new initiatives over the past year, highlighted by the introduction of our new Living Well Engagement Survey platform and the growth of our employee resource groups. We have 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 continually strengthen our commitment to Giving Back, we are always encouraged by the generosity of our people and our Project GIFT teams in the places we work, live and serve. In 2018, our approximately 1,000 Project GIFT volunteers provided more than 12,000 hours of service, providing relief in the wake of natural disasters, giving out more than 22,000 bags of school supplies, supporting events in our local communities and much more. In addition, through grants from the POWER Fund, we were able to assist hundreds of employees who were facing financial hardships due to unexpected life events.

Also in the spirit of community, we celebrated more than 2,300 graduates throughout the history of 12 for Life® and many other strides through our community partnerships and efforts to help develop the workforce of tomorrow. We reflect our commitment to the environment through our recognition in the Georgia Water Coalition's 2018 Clean 13 Report.

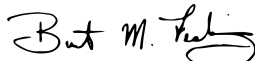
So, you can see, we have much to be proud of as we look back to 2018, and we are well into an even better 2019. You will hear more about this in next year's report, but as we began the year, we announced a restructure of the business that aligns with our strategic plan. As we focus on our core business, we have unified into one wire and cable team. We have elevated tools, components and assembled solutions and, as mentioned, are placing a renewed emphasis on metals management. With this realignment, we are focusing on research and development, modernization, business transformation and improvement in our customer service and distribution.

These changes best position us to help meet, and possibly exceed the goals we have set for our future. We are incredibly proud to be associated with this great organization and continue to be thankful for the approximately 8,000 employees that are working together around the world to ensure we remain an industry and community leader for years to come.

Sincerely,



Rich Stinson  
President and CEO



Burt M. Fealing  
Sustainability Lead  
EVP, General Counsel and Corporate Secretary



# ABOUT OUR COMPANY

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As one of the leading manufacturers of wire and cable used in the transmission and distribution of electricity, Southwire delivers power to millions of people around the world. Nearly one in two new homes built in the United States contains our wire, and we produce half the cable used to transmit and distribute electricity throughout the nation. More than half the world's refined copper passes through one of our SCR® systems, our wire plays a key role in the manufacturing of other products, including automotive wiring harnesses and electrical motors, and our tools & equipment business continues to grow.

Headquartered in Carrollton, Georgia, we have nearly 8,000 full- and part-time employees who work in more than 40 cities throughout the United States, Mexico, Canada, Honduras, China, the United Kingdom and the Netherlands. With approximately 2 billion pounds of products and \$6 billion in net sales in 2018, Southwire continues to energize the lives of people everywhere.

102-4 ▾

Southwire operates more than 30 manufacturing plants in the United States, Mexico, Honduras and China and 10 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



In February 2018, Southwire **announced** a planned closure of operations at our Pleasant Prairie, Wisconsin, customer service center. The relocation of facility operations to existing distribution facilities in the United States and Toronto, Canada, concluded at the end of the year, with the majority of the activity moving to a new 400,000-square-foot property in the west Georgia area.

Southwire continues to bolster our portfolio of innovative and sustainable products to position the company for long-term growth. Southwire announced two acquisitions in August of 2018.

- > Southwire **acquired Garvin Industries** of Franklin Park, Illinois, to create broader opportunities to provide custom solutions for our electrical customers. We welcomed approximately 30 new employees to Southwire into our Tools, Components & Assembled Products group.
- > We also **welcomed ProBuilt Professional Lighting, LLC** of Mundelein, Illinois, to our business. As a part of our Tools, Components & Assembled Solutions group, ProBuilt's unique, high-quality lighting solutions improve jobsite lighting for our contractors.

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

# MARKETS & PRODUCTS

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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, overhead and underground transmission and distribution wire and cable products, original equipment manufacturer (OEM) wire products and engineered products. In addition, Southwire supplies assembled products and components, 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.

In early 2019, Southwire underwent a significant reorganization throughout the company. Southwire is now organized into three business groups: Wire & Cable; Tools, Components & Assembled Solutions; and Metals, a third group we introduced we introduced to manage the company’s metal position, serve the OEM rod market and sell our SCR® systems. With this new alignment, Southwire can focus on our core growth strategies and operational initiatives, such as modernization and systems optimization. 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®, Garvin®, A Southwire Business; 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 groups. The guidelines also address all acquired brands as they fold into the Southwire branding structure.

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In our five-year strategic plan, Southwire simplifies the 10 primary vertical markets—specific markets in which products and services are sold to customers for specialized use—where we will focus from 2018–2022. Our primary vertical markets include:

- > Renewables;
- > Transmission;
- > Power Distribution;
- > Residential;
- > Hospitals and Healthcare;
- > Refining/Petrochem;
- > Commercial/Institutions;
- > Transportation;
- > Data Centers; and
- > Factory Automation.

Being successful in these primary vertical markets allows Southwire to grow in profitable areas that align with the company’s core product offering.

To best serve customers’ needs, Southwire’s three business groups provide a centralized structure for our commitment to customers, while also fostering creativity and providing market-driven solutions to deliver value to our end users.

	WIRE & CABLE	TOOLS, COMPONENTS & ASSEMBLED SOLUTIONS	METALS
<b>Sectors</b>	<ul style="list-style-type: none"> <li>&gt; Generation/Renewables</li> <li>&gt; Transmission</li> <li>&gt; Power Distribution</li> <li>&gt; Residential</li> <li>&gt; Light Commercial</li> <li>&gt; Refining/Petroleum</li> <li>&gt; Commercial/Institutional</li> <li>&gt; Transportation</li> <li>&gt; Data Centers</li> <li>&gt; Factory Automation</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Residential, Institutional and Commercial Construction</li> </ul>	<ul style="list-style-type: none"> <li>&gt; OEM rod markets</li> <li>&gt; Rod manufacturing</li> </ul>

	WIRE & CABLE	TOOLS, COMPONENTS & ASSEMBLED SOLUTIONS	METALS
<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> <li>&gt; Electrical Distributors</li> <li>&gt; Contractors</li> <li>&gt; DIYers</li> <li>&gt; Retail Outlets</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>	<ul style="list-style-type: none"> <li>&gt; OEM manufacturers</li> <li>&gt; Aluminum and copper continuous rod manufacturers</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 save time, increase efficiency and, most importantly, increase safety on the jobsite</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Manage the company's metal position, develop new rod technologies, Improve safety, operating cost, reliability, quality and environmental impact</li> </ul>
<b>Product &amp; Service Offering*</b>	<ul style="list-style-type: none"> <li>&gt; "In stock" products</li> <li>&gt; Material handling resources</li> <li>&gt; "Made to order" approach</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Tools and equipment</li> <li>&gt; Test and measurement</li> <li>&gt; Wire connectors and adaptors</li> <li>&gt; Lighting and power</li> <li>&gt; Material handling resources</li> </ul>	<ul style="list-style-type: none"> <li>&gt; Southwire Continuous Rod systems and parts</li> <li>&gt; Copper and aluminum rod</li> </ul>

\*The [Technology & Innovation](#) page highlights Southwire's products and services for all 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.

# 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](#).

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Southwire provides a desirable workplace for our 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 percent of our full-time employees in 2018, which includes those employees located at our Waukegan, Illinois, manufacturing operations.

102-8 ▾

Human resource data was compiled through our SAP SuccessFactors application, which does not include 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 7,956 employees.

## Employees by Gender and Region Breakdown

	2018 EMPLOYEES	EMPLOYMENT CONTRACT	EMPLOYMENT TYPE	
		PERMANENT*	FULL-TIME	PART-TIME
<b>Gender</b>	Female	1,615	1,397	218
	Male	5,769	5,437	332
<b>Region</b>	United States	7,260		
	Canada	124		
	Mexico	202		
	Honduras	298		
	China	66		
	Netherlands	2		
	United Kingdom	4		
	2018 Total	7,956	6,834	550

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

For more information on Southwire’s programs to support employees’ workplace safety and well-being, engagement, development and inclusion, please refer to the [Living Well](#) section of this report.



# SUSTAINABILITY GOALS

## 2021 GOALS

Our 2021 goals deepen our sustainability efforts and strengthen our management by driving us toward higher standards of excellence. Further, we demonstrate alignment to the United Nations Sustainable Development Goals (SDGs) to show how our strategic priorities support the collective effort 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 three 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.”

DJSI is considered the “gold standard” for corporate sustainability performance. Achieving top decile performance within the Electrical Components & Equipment sector will help Southwire to outperform our current and future competitors. In 2018, we completed our initial response to RobecoSAM’s Corporate Sustainability Assessment, the DJSI questionnaire, and received our baseline scorecard. We intend to respond again in 2020, after implementing initiatives to address their feedback.



## 2021 SUSTAINABILITY GOALS & TARGETS

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

TARGET		2016 BASELINE*	2017*	2018
Reduce energy and greenhouse gas (GHG) emissions intensity by 15% through conservation and the use of renewable energy by 2021	Energy Intensity (kWh/ton)	1,100	1,038	1,061
GHG Emissions Intensity (metric tons of CO <sub>2</sub> e/ton)		0.39	0.38	0.38
Achieve zero operational waste to landfill status at all locations by year-end 2017 and maintain status with growth through 2021		74%	100%†	100%†
Further reduce water intensity by 10% over 2016 baseline by 2021	Gallons/Ton	225	227	209

\*2016 baseline and 2017 status values were revised to reflect corrections to site production numbers following the implementation of SAP, which altered the intensity calculation.

†Does not include sites acquired in 2016 (Sumner and United Copper Industries (UCI)), 2017 (DCN) and 2018 (ProBuilt and Garvin).



Learn how Southwire is responsibly managing [operational waste](#), [energy](#), [air emissions](#), [water](#) and [wastewater](#).

Southwire's safety goal and targets align with SDG 3 to "ensure healthy lives and promote well-being for all at all ages." In 2018, Southwire made great progress toward all three of our 2021 targets below. 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*	2018 STATUS	2021 TARGET
Achieve 10X increase in injury-free event (IFE) reporting by 2021	46.8	N/A†	556	468
Achieve 75% decrease in the total recordable injury rate by 2021	1.71	1.22	1.14	0.50
Achieve Occupational Safety and Health Administration (OSHA) Voluntary Protection Program (VPP) or equivalent certification at all sites by 2021	42%	50%	55%	100%

\*2016 baseline and 2017 status values were revised to reflect corrections to site production numbers following the implementation of SAP, which altered the intensity calculation.  
 †IFE Were not measured on an enterprise level in 2017.



3 GOOD HEALTH AND WELL-BEING



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, Georgia, where our operations began, and where we established an electronic waste collection program more than a decade ago. Our educational and environmental programs are helping to build sustainable cities and communities wherever Southwire operates. We are pleased that we increased Southwire employee participation in environmental outreach programs in 2018. Read more about 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	2018 STATUS	2021 TARGET
Launch environmental outreach programs in 100% of the communities in which we operate	4%	4%	13%	100% of manufacturing and service locations (23 communities total)



11 SUSTAINABLE CITIES AND COMMUNITIES



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." In 2018, Southwire created an Ethics and Compliance Steering Committee; read more on the [Governance page](#).

Ethisphere's World's Most Ethical Companies list is highly regarded as an indicator of an ethical business culture and performance. By achieving external recognition as an ethical company, Southwire will demonstrate our focus on Doing Right. 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	2018 STATUS	2021 TARGET
Achieve recognition on Ethisphere's World's Most Ethical Companies list by 2021	No ranking	Gap analysis completed, and action plans developed	2019 action plan developed in conjunction with Ethisphere	Listed




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	2018 STATUS	2021 TARGET
10% of EBITDA (earnings before interest, taxes, depreciation and amortization) in the funnel	8%	6%	7%	10%
\$1 billion of incremental revenue tied to these solutions (15% of projected 2021 revenues)	\$0	\$0*	\$220 million	\$1 billion




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

# GOVERNANCE

## GOVERNANCE STRUCTURE

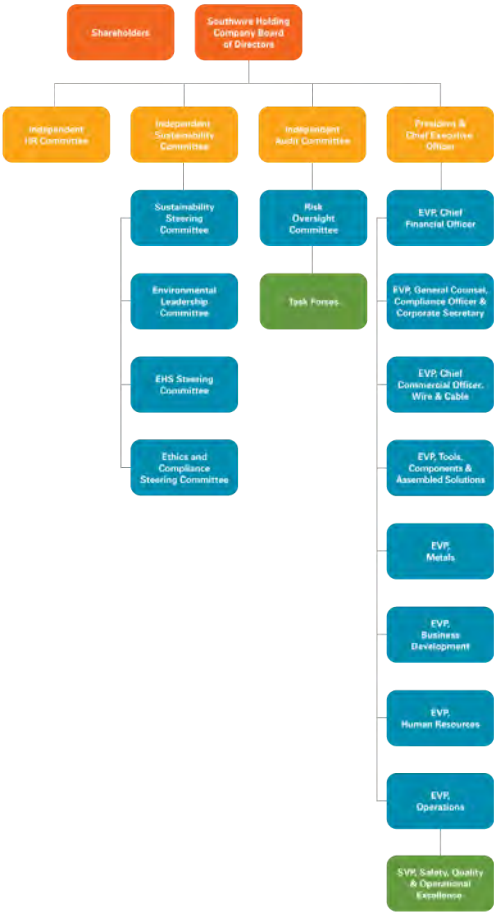
102-5

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.

Based on our commitment to strong governance, our board 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 Human Resources 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, 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 Steering Committee

Supporting our board's independent sustainability committee, Southwire's Sustainability Steering Committee is chaired by our senior vice president of safety, quality & operational excellence and comprised of our chief executive officer, members of Southwire's executive leadership team and senior vice presidents from various parts of the business. 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. With the recent reorganization, the make-up and cadence of this committee is expected to change.

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

The Southwire leadership team continues to evaluate the effectiveness and membership makeup of these committees as we strive for continuous improvement of our governance and sustainability structure.

### Ethics and Compliance Steering Committee

In 2018, Southwire's Board of Directors adopted an [Ethics and Compliance Steering Committee Charter](#). An Ethics and Compliance Steering Committee was appointed for the purpose of advancing the company's goals. Our goals include fostering and maintaining the highest ethical standards, demonstrating that the company values compliance with all state and federal laws as a fundamental premise underlying our corporate philosophy, and aligning our Ethics and Compliance Steering Committee with our Sustainability Tenet of "Doing Right". The "Doing Right" Sustainability Tenet models the company's core values of being ethical, acting with integrity, being transparent and providing quality products and services. This committee is led by the General Counsel, who also serves as the Chief Ethics and Compliance Officer, and shall include members who are senior leaders from Audit, Environmental, Finance, HR, IT, Legal, Operations, Product Compliance, Quality, Safety, and Sales, including representation from the Wire & Cable and Tools, Components & Assembled Solutions and Metals business groups.

The committee will report to the Independent Sustainability Committee, at least annually, with respect to its activities.

## COMMUNICATING WITH THE BOARD

Working teams meet regularly and report their progress through regular updates from the executive leader of sustainability to the board. Southwire's executive leader of sustainability 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 to three 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](#).



# STAKEHOLDER ENGAGEMENT

## SOUTHWIRE'S STAKEHOLDERS

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Southwire regularly engages with the following stakeholder groups: customers, suppliers, shareholders and board members, regulators, industry associations, community members and 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

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### 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	Bi-Annually	The results of these voluntary surveys deliver a better understanding of our employees' wants and needs, allowing periodic adjustments to management systems and approaches. We measure employee engagement through the Peakon platform using employee Net Promoter Score (eNPS) as our indicator.	<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 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. The 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> </ul> Every 3 years: <ul style="list-style-type: none"> <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> Every 3 years: <ul style="list-style-type: none"> <li>&gt; Materiality assessment interviews and surveys</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>

STAKEHOLDER GROUP	APPROACH & FREQUENCY	PURPOSE	TOPICS & CONCERNS RAISED
Industry Organizations (see memberships below)	Ongoing: > Product feedback requests > Apprentice training > Memberships and participation (see 102-13: Membership of associations, below)	To improve access and sustainability of products and services in the industry by: > Giving a voice to customers; > Increasing awareness of our sustainable innovations; > Assuring product safety and sustainability; and > Sharing our expertise with policy makers; and to create a sustainable workforce by fostering the success of the next generation of contractors.	> Indirect Economic Impacts > Energy & Air Emissions > Product Quality & Safety > Technology & Innovation > Workplace Safety & Employee Well-Being
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.

In 2018, Southwire trained more than 710 apprentices through sessions at ETA and NECA.

Southwire has trained apprentices through partnerships with the Electrical Training Alliance (ETA), National Electrical Contractors Association (NECA) and Independent Electrical Contractors (IEC). 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 and cable products in Canada, as well on TSC's of the Part 1 CEC Committees and the development of code revisions to allow new products into the Canadian markets	

ORGANIZATION	SOUTHWIRE'S CURRENT INVOLVEMENT	SOUTHWIRE'S PREVIOUS CONTRIBUTIONS
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	
EMerge Alliance	> Help develop standards leading to the rapid adoption of DC power distribution in commercial buildings	
Independent Electrical Contractors (IEC)	> Platinum Level Sponsor	
Institute of Electrical and Electronics Engineers (IEEE)	> Flexible Cord and Electrical Vehicle Committee > UL STP 62 Committee > Industrial Ethernet Committee	
IEEE Industry Applications Society (IEEE/IAS)	> Petroleum and Chemical Industry Committee (PCIC)	
IEEE Power and Energy Society (IEEE/PES)	> Overhead Lines Committee, Chair and multiple working groups > Substations Committee, multiple working groups > Contribute to the development of wire and cable system design for overhead lines and substations > Member of the Long Range Planning Board (LRP)	
Industry Data Exchange Association, Inc. (IDEA)	> Chairman of the Board of Directors	
Insulated Cable Engineers Association (ICEA)	> Chairs of multiple Working Groups	> President
Insulated Conductors Committee (ICC)	> Chairs, Vice Chairs and Committee Members of multiple working groups	
International Association of Electrical Inspectors (IAEI)	> Code Panelist for IAEI Section Meetings	
International Cablemakers Federation	> Vice President and Board of Directors	

ORGANIZATION	SOUTHWIRE'S CURRENT INVOLVEMENT	SOUTHWIRE'S PREVIOUS CONTRIBUTIONS
International Council on Large Electric Systems (CIGRE)	<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>
National Armored Cable Manufacturer's Association	<ul style="list-style-type: none"> <li>&gt; Association Chair</li> </ul>	
National Association of Standardization Mexico (ANCE)	<ul style="list-style-type: none"> <li>&gt; THSC 20, Building Wire and Cable</li> <li>&gt; Type MC</li> <li>&gt; Type PV</li> </ul>	
National Electrical Contractors Association (NECA)	<ul style="list-style-type: none"> <li>&gt; Premier Partner</li> </ul>	
National Electric Energy Testing Research and Applications Center (NEETRAC/Georgia Tech)	<ul style="list-style-type: none"> <li>&gt; Founding Member</li> <li>&gt; Advisory and Board Members</li> <li>&gt; Technical Advisors</li> </ul>	
National Electrical Manufacturers Association (NEMA)	<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>	
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> <li>&gt; Participate on the advisory council</li> <li>&gt; Voting members</li> <li>&gt; Vice Chair of the PCD Management Council</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>	

ORGANIZATION	SOUTHWIRE'S CURRENT INVOLVEMENT	SOUTHWIRE'S PREVIOUS CONTRIBUTIONS
<b>Utility Purchasing Management Group (UPMG)</b>	<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>	
<b>Utility Supply Management Association (USMA)</b>	<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>	
<b>Wire Association International (WAI)</b>	<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>	
<b>Western Mining Electrical Association (WMEA)</b>	<ul style="list-style-type: none"> <li>&gt; Member</li> </ul>	



# ABOUT THIS REPORT

102-50, 102-52, 102-54 ▾

As a private company, Southwire proudly shares our sustainability journey and progress in annual sustainability reports. This current sustainability report covers calendar year 2018 for all information provided, and has been prepared in accordance with the GRI Standards: Core option. Due to Southwire's reorganization in early 2019, our 2018 Sustainability Report reflects how Southwire is organized today, while the data we report is from 2018.

102-49 ▾

Southwire completed our second [materiality assessment](#) in early 2018, which informed the content in our 2017 sustainability report. We report on the same set of top topics in this 2018 report. We plan to conduct our next materiality assessment in 2020.

102-56, 102-48 ▾

Data reported in our 2017 sustainability report have been restated where indicated. We use our 2016 data as the baseline for our 2021 operational eco-efficiency and sustainability targets. While our 2017 data were verified by a third party, Southwire did not have our 2018 data verified by a third party. We plan to do so again in 2019 in anticipation of completing the RobecoSAM corporate sustainability assessment.

For convenience, please refer to Southwire's 2018 performance across all our material topics on our [Metrics at a Glance page](#).

102-51 ▾

We published our most recent report, covering calendar year 2017, in August 2018. Since launching our 2017 report, Southwire acquired Garvin Industries and ProBuilt Professional Lighting, LLC. Southwire closed our customer service center in Pleasant Prairie, Wisconsin.

102-55 ▾

Our GRI Content Index for this 2018 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 Burt Fealing, Executive Vice President, General Counsel and Corporate Secretary at [sustainability@southwire.com](mailto:sustainability@southwire.com).

# MATERIALITY

## MATERIALITY ASSESSMENT

102-46 ▾

In early 2018, Southwire completed our second materiality assessment, used 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 a value chain 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 company leaders, shareholders, members of Southwire's board of directors, customers, suppliers and representatives of communities/non-governmental organizations (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.
- 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.

We began the process of strategically integrating the findings into our business strategy by refining—where necessary—the management approaches regarding the material topics and setting goals with associated key performance indicators (KPIs).

## MATERIAL TOPICS

While all topics shown on the matrix below are important for Southwire to monitor and manage, this 2018 sustainability report communicates our management approach and progress on the 13 Tier 1 or "material" topics shown at the top right of the matrix. In keeping with our commitment to transparency, we also report on Operational Waste, which decreased to Tier 2 in our recent materiality assessment. We organized our sustainability topics in alignment with the five tenets of our corporate sustainability vision.

102-47 ▾

The table below provides an overview of how Southwire manages each topic, where impacts occur, and which stakeholders expressed the greatest interest in Southwire's management and performance of each topic. Topics in bold font represent Southwire's material topics, covered in depth in this report.





Southwire Leaders  
 Shareholders  
 Board of Directors  
 Customers  
 Suppliers  
 Communities/NGOs  
 Government Agencies  
 Industry/Business Associations  
 Sustainability Experts  
 Potential Employees

TOPIC	MANAGEMENT APPROACH	BOUNDARY (WHERE IMPACTS OCCUR)	HIGHLY INTERESTED STAKEHOLDERS									
<b>DOING RIGHT</b>												
<b>Anti-Competitive Behavior</b> (New Topic)	Implementing policies and standards to prevent unfair competition	Southwire – Corporate (sourcing), sales offices, international locations External – Board of Directors, outsourced agencies										
<b>Ethics, Anti-Corruption &amp; Transparency</b> <a href="#">VIEW TOPIC</a>	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	Southwire – All locations External – Suppliers, Customers	●	●	●	●	●				●	●
<b>Marketing &amp; Labeling</b> (New Topic)	Accurately disclosing product components and content that may produce negative environmental or social impact; and providing information on safe product use and disposal	Southwire – Corporate (sales, marketing, legal); customer service centers External – Suppliers (manufactured products); customers (OEMs, retailers, EPCs, transit); end users (DIYers, contractors, consumers)										
<b>Public Policy Practices</b> (New Topic)	Thoughtfully participating in discussions to shape policy and ensuring third-party/trade spending aligns with Southwire's values	Southwire – Corporate (government affairs, legal, marketing)										
<b>Sustainable Supply Chain &amp; Procurement Practices</b> <a href="#">VIEW TOPIC</a>	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	Southwire – Corporate (Sourcing) External – Suppliers (all); logistics (inbound and outbound)	●			●	●				●	





# 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.



We are proud to report our progress against our 2021 sustainability goals in this 2018 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*	2018
Reduce energy and greenhouse gas (GHG) emissions intensity by 15% through conservation and the use of renewable energy by 2021	Energy Intensity (kWh/ton)	1,100	1,038	1,061
GHG Emissions Intensity (metric tons of CO2e/ton)		0.39	0.38	0.38
Achieve zero operational waste to landfill status at all locations by year-end 2017 and maintain status with growth through 2021		74%	100%†	100†
Further reduce water intensity by 10% over 2016 baseline by 2021	Gallons/Ton	225	227	209

\*2016 baseline and 2017 status values were revised to reflect corrections to site production numbers following the implementation of SAP, which altered the intensity calculation.

†Does not include sites acquired in 2016 (Sumner and UCI), 2017 (DCN) and 2018 (ProBuilt and Garvin).

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. In 2018, we completed our initial response to RobecoSAM's Corporate Sustainability Assessment, the DJSI questionnaire and received our baseline scorecard. We intend to respond again in 2020 after implementing initiatives to address their feedback. This includes establishing annual reduction targets for volatile organic compound air emissions and hazardous waste generation.

# 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

## ABOUT THIS TOPIC



WHY MANAGING IT MATTERS	▼
2021 SUSTAINABILITY GOALS & TARGETS	▼
POLICIES	▼
GOVERNANCE	▼
ENERGY MANAGEMENT	▼
AIR EMISSIONS	▼

### 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 “baseline” reported energy use covers manufacturing plants, warehousing operations and offices, except those included in the UCI, Sumner, DCN, ProBuilt and Garvin 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 a responsible energy consumer 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’s bold goal and corresponding energy and GHG emissions reduction targets build upon the Growing Green efforts we started in 2007. By setting a GHG target, Southwire demonstrates a more visible and meaningful commitment to addressing climate change. This is our second 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*	2018 DATA	IMPROVEMENT FROM BASELINE
Reduce energy and greenhouse gas (GHG) emissions intensity by 15% through conservation and the use of renewable energy by 2021	Energy Intensity (kWh/ton)	1,100	1,038	1,061	3.5%
	GHG Emissions Intensity (metric tons of CO <sub>2</sub> e/ton)	0.39	0.38	0.38	1.3%

\*2016 baseline and 2017 status values were revised to reflect corrections to site production numbers following the implementation of SAP, which altered the intensity calculation. †Does not include sites acquired in 2016 (Sumner and UCI), 2017 (DCN) and 2018 (ProBuilt and Garvin).

## POLICIES

Southwire first issued its [EHS 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.

[EHS Policy and Principles](#): We are dedicated to prevent, reduce or eliminate pollution and health and safety risks at the source and are committed to continual improvement of our management systems to enhance performance, engage employees, and work toward a Culture of Zero.

## GOVERNANCE

Management of our energy use and air emissions begins with our individual plants, supported by our business groups and corporate environmental staff. The plants report to our divisional leadership, who in turn report to our executive vice president of operations. The individual serving as our executive vice president, general counsel and corporate secretary, now has environmental and sustainability responsibility across Southwire.

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

## ENERGY MANAGEMENT

Over a two-year period, we completed external energy audits at Southwire’s top 13 energy consuming facilities. From these audits, key locations identified energy-savings opportunities and teams are working to make improvements. In addition, as we modernize our operations, modify equipment and upgrade our infrastructure, we seek to utilize the most energy-efficient technology when possible.

As a part of Southwire’s ongoing partnership with Solarize Carrollton-Carroll and in alignment with the company’s commitment to sustainability, Southwire signed an agreement with Creative Solar USA. The Georgia-based, turn-key installer of innovative solar panel systems, dedicated to alternative energy solutions for homes and businesses, will install a solar panel array at our Thorn Customer Solutions Center.

Creative Solar USA will complete installation of the solar panel system in early 2019. The 124.1-kilowatt DC, roof-mounted, solar panel array will offset approximately 25 percent of the site’s electricity consumption and is projected to reduce greenhouse gas emissions by 84 metric tons of CO<sub>2</sub> equivalent.

103-3

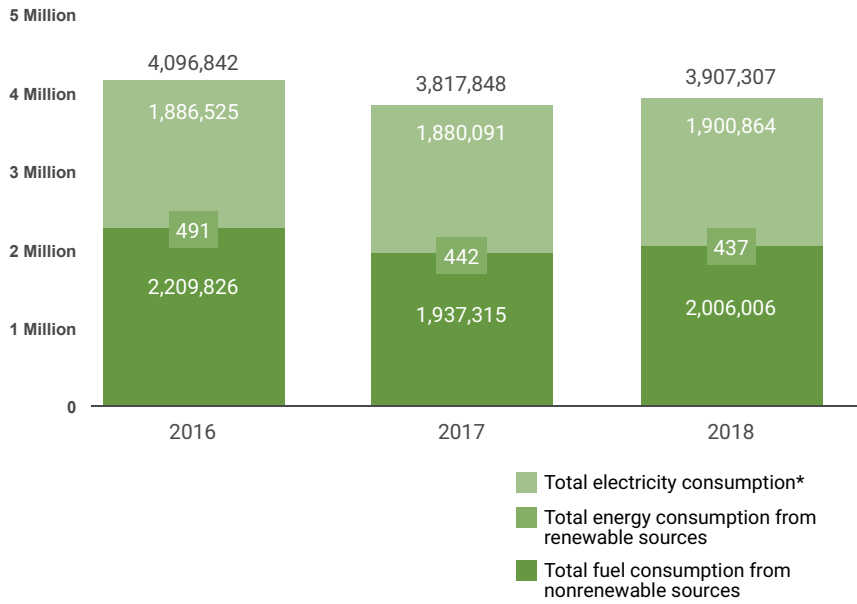
### Energy Performance

At Southwire, we track energy consumption and efficiency. Our facilities track electricity, propane and natural 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. Southwire tracked fuel oil usage in 2016 and 2017; however, we determined this fuel usage and associated greenhouse gas emissions to be minimal compared to our other energy sources. Therefore, fuel oil consumption and the corresponding greenhouse gas emissions are not included in this report.

302-1

### Energy Consumption Within the Organization (GJ)

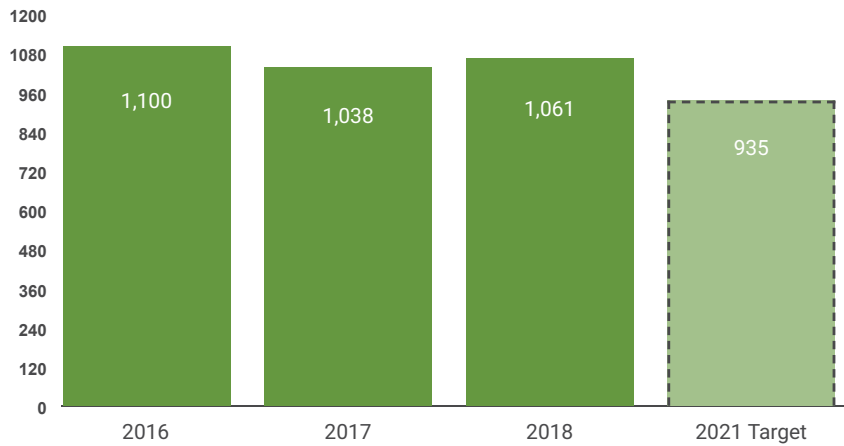
We found that we inconsistently included UCI in some of our metrics in last year’s report and corrected some of the previous years’ values to remove the inconsistency.



\*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\*)



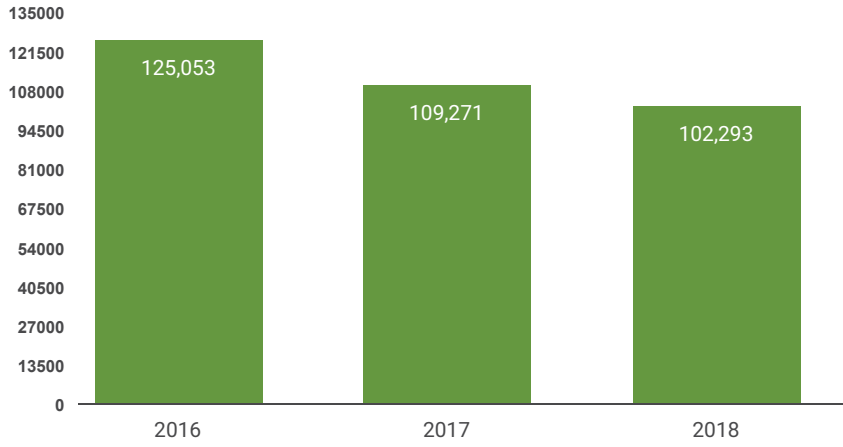
\*Includes electricity (purchased and on-site solar generation), natural gas and propane.

### 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, Kentucky, and copper rod mill in Carrollton, Georgia. 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. In 2018, Southwire started work on our Scope 3 emissions inventory, which we plan to complete in 2019.

305-1

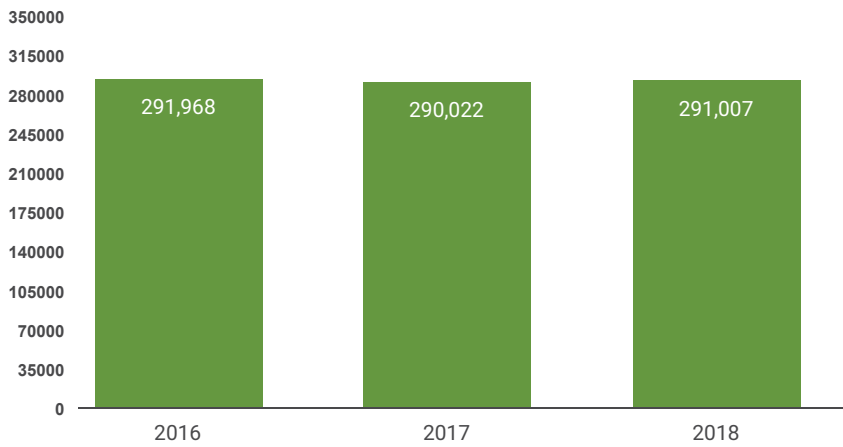
### Gross Direct (Scope 1) GHG Emissions (metric tons of CO<sub>2</sub>e)\*



\*Southwire uses a subscription software solution 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

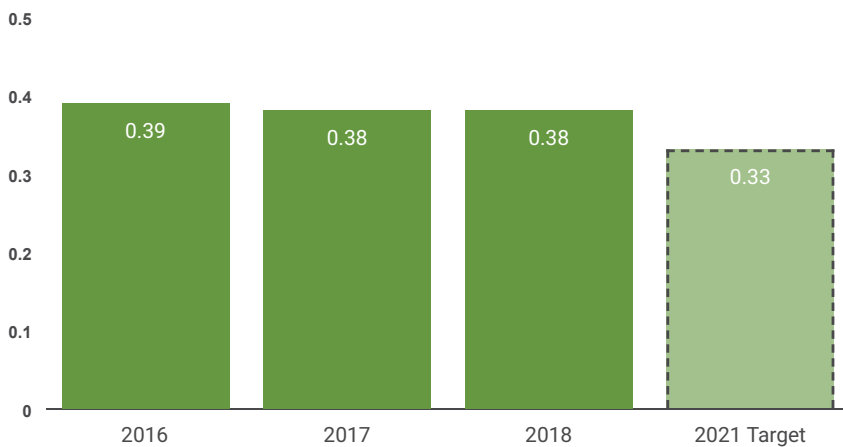
### Energy Indirect (Scope 2) GHG Emissions (metric tons of CO<sub>2</sub>e)†



†Our subscription software 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; GWP values for natural gas, propane, etc. are based on the IPCC Fifth Assessment Report, 2014 (AR5). All sites are under operational control.

305-4

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

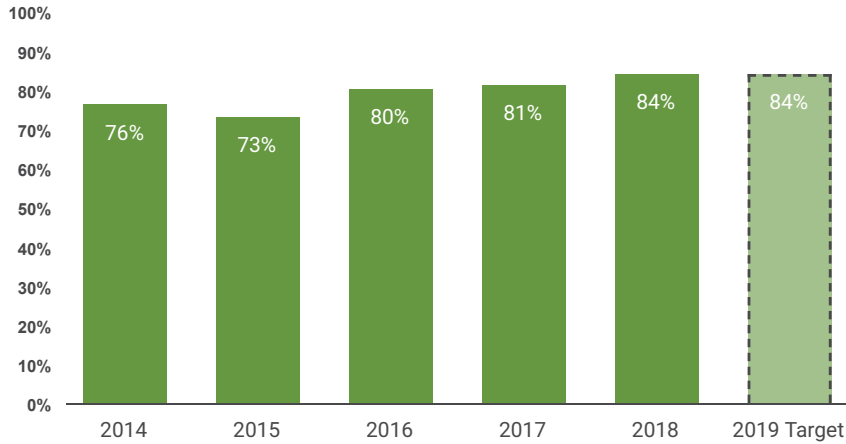


‡Includes CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub> and NF<sub>3</sub>.

### Strategic Sourcing & Logistics

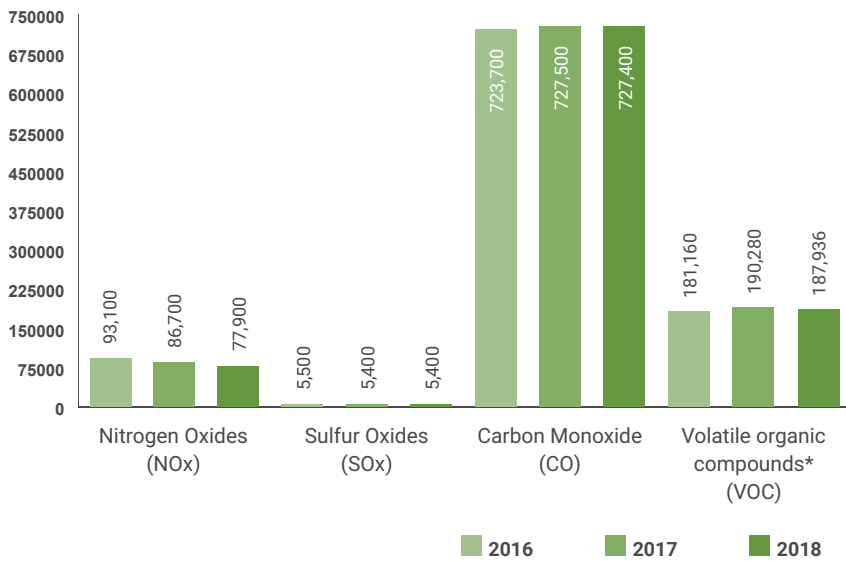
In addition to managing our energy use, Southwire works to limit emissions from transportation. To the extent practicable, Southwire strategically sources raw materials closer to the appropriate manufacturing plant to limit distance traveled, and we use intermodal transport whenever possible. We encourage our carrier contractors to participate in the EPA's SmartWay 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



305-7

#### Other Air Emissions<sup>†</sup> (Kilograms)



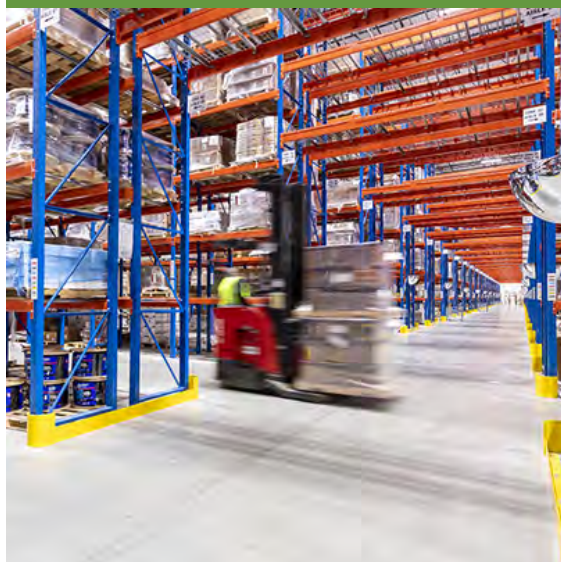
<sup>\*</sup>Data not third-party assured.

<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.

# 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

## ABOUT THIS TOPIC



- WHY MANAGING IT MATTERS ▼
- GOVERNANCE ▼
- POLICIES ▼
- STREAMLINING PRODUCTS AND PACKAGING ▼
- MINIMIZING MATERIALS WITH NEGATIVE HEALTH IMPACTS ▼
- REUSING MATERIALS 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. Additionally, we 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. To provide more value, 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, packaging 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 2018 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 and environmental ensure that product responsibility continually progresses. They update our chief executive officer every quarter on the status of our current goals. Environmental and sustainability responsibility now resides with our general counsel and corporate secretary.

## 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 Safety Data Sheet (SDS) for review and approval by safety and environmental coordinators and by the inventory records management team (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® products require zero spools and no added lubricant, eliminating waste at the job site. We previously 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.

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In 2018, we better utilized shrink film packaging for raw materials. As we standardized our operations, we reduced the amount of shrink film used in production shipping—even with growth at multiple facilities.

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Standardizing plastic spool sizes also resulted in the reduction of polypropylene used in the spools. Better utilizing materials also results in less material sent for disposal.

## 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 RoHS (Restriction of Hazardous Substances) directive.

We continue to develop insulating compound alternatives in response to and in anticipation of customer needs, and look for ways to reduce the toxicity of the material components. We continue to increase in-house formulation and compounding capability and invest in the necessary equipment needed to meet this goal.

To ensure the quality, integrity and transparency of our product responsibility, we are evaluating environmental and/or health product declarations (EPDs/HPDs) to support our new product endeavors in line with our customer needs.

## REUSING MATERIALS AT END OF LIFE

Southwire's Tools, Components & Assembled Solutions group 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, Components & Assembled Solutions team 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 started our internal compliance program with the Waste Electrical and Electronic Equipment Directive (WEEE), a European end-of-life regulation. Select Southwire locations have partnered with ViaTeK Solutions, a leader in environmentally sound and responsibly practiced recycling programs, to handle our program needs.

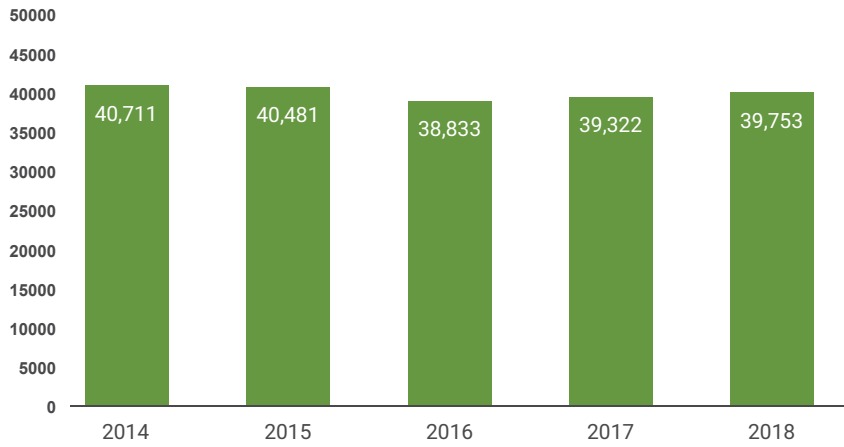
WEEE encourages the collection, treatment, recycling and recovery of electrical and electronic equipment waste. This falls in line with our longstanding tradition of going beyond regulatory requirements. The WEEE Directive will primarily influence our Tools & Assembled Products operations.

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 require new reels, limiting our ability to utilize recycled reels in some applications.

301-3 ▾

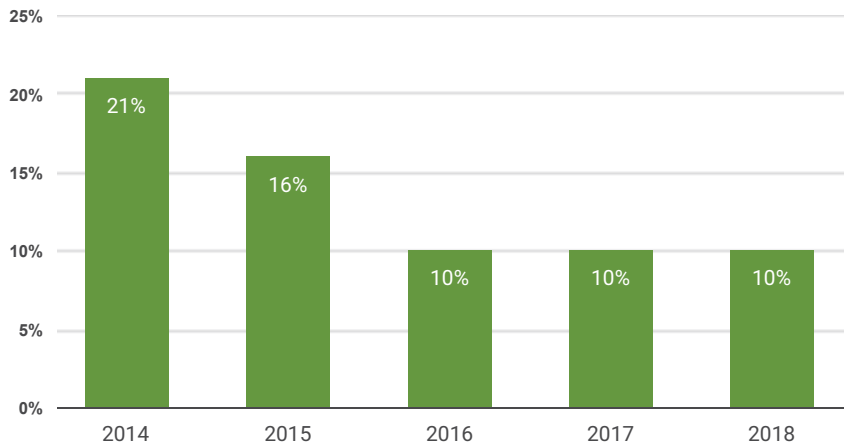
**Recyclable Wooden & Steel Reels Returned\***





\*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 expanded this program in 2018 to our communities in Florence, Alabama, and Bremen, Indiana, as the pilot locations and will further expand this activity in 2019 to five additional communities.

## EVALUATING OUR PERFORMANCE

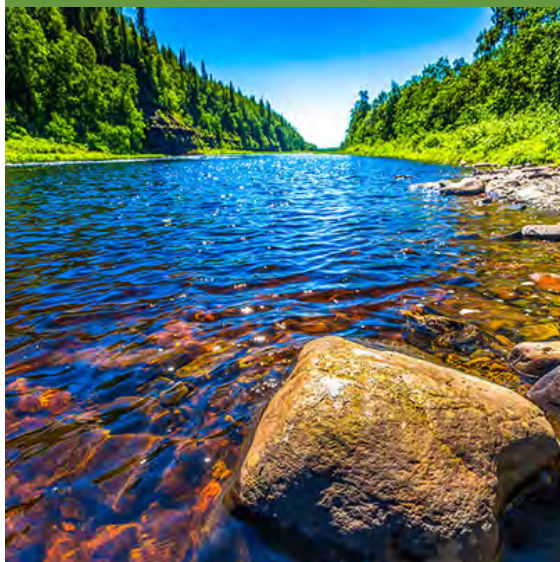
103-3 ▾

Beyond tracking the number of reels returned and recycled, we will continue to assess our product responsibility performance through consumer feedback and satisfaction, as well as sales results.

# 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

## ABOUT THIS TOPIC



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2021 SUSTAINABILITY GOALS & TARGETS	▼
WATER & WASTEWATER IMPACTS	▼
EVALUATION MECHANISMS	▼

### WHY MANAGING IT MATTERS

103-1 ▼

Effective water management—both quantity and quality—is crucial for Southwire’s manufacturing operations. Water management is more critical in specific facilities 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. Compliance with regulatory water quality requirements helps Southwire avoid serious financial and reputational consequences.

In 2018, Georgia Water Coalition recognized Southwire in its Clean 13 Report, which “highlights extraordinary efforts on the part of businesses, industries, local governments, non-profit organizations and individuals to protect the water and natural resources of Georgia.”

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 operations. Starting in 2018, incentive compensation for vice presidents and above is tied to achieving certain performance metrics. Our general counsel and corporate secretary manages environmental and sustainability for our entire organization.

## POLICIES

Our [EHS Policy and Principles](#) guide Southwire's responsible use of natural resources. 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 (North Carolina) Plant, Hawesville (Kentucky) Plant and Carrollton (Georgia) 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.

## 2021 SUSTAINABILITY GOALS & TARGETS

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. As indicated in the table, our performance improved by approximately 7 percent since 2016 due to significant reductions at some of our higher water-consuming sites. This effort was highlighted by the installation of a groundwater treatment system at our Kentucky Plant.



### 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*	2018	2021 TARGET
Further reduce water intensity by 10% over 2016 baseline by 2021 (gallons/ton)	225	227	209	203

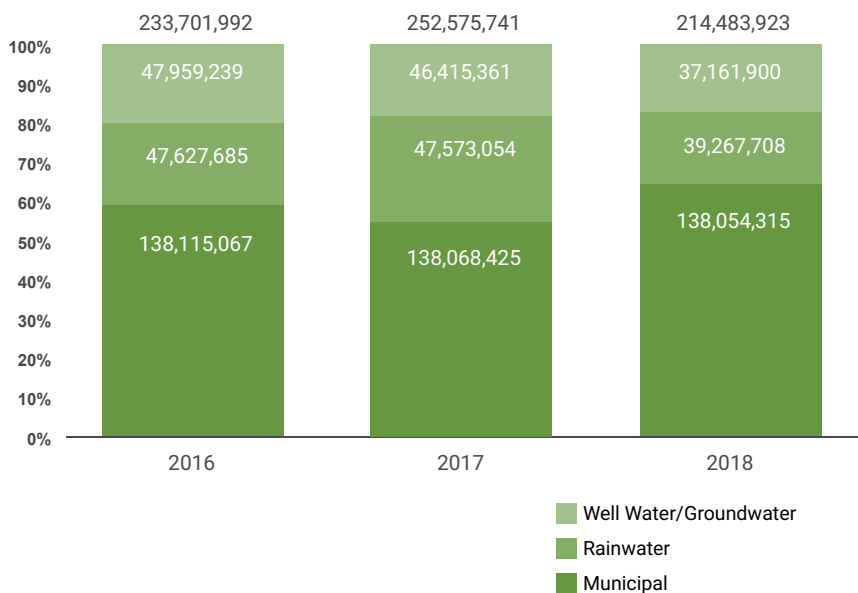
\*2016 baseline and 2017 status values were revised to reflect corrections to site production numbers following implementations of SAP, which altered the intensity calculation.

## WATER & WASTEWATER IMPACTS

303-1

Surface water was not a source of water for Southwire in the past three years.

### Water Withdrawal by Source (Gallons)\*,†



\*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.

†The number of sites changed so data is not consistent year over year.

We track water discharge by quality and destination for the two Southwire sites that require permits as well.

306-1

SOUTHWIRE SITE	DESTINATION	2018 TOTAL VOLUME OF PLANNED WATER DISCHARGES (GALLONS)	2018 TOTAL VOLUME OF UNPLANNED WATER DISCHARGES (GALLONS)	TREATMENT METHOD	QUALITY OF WATER	WATER REUSED BY ANOTHER ORGANIZATION
Copper Rod Mill	Buffalo Creek	52,872,850	0	Chemical and physical treatment	All discharge water quality met permit requirements	None
Kentucky Plant	Ohio River	18,303,170	0	Chemical and physical treatment	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

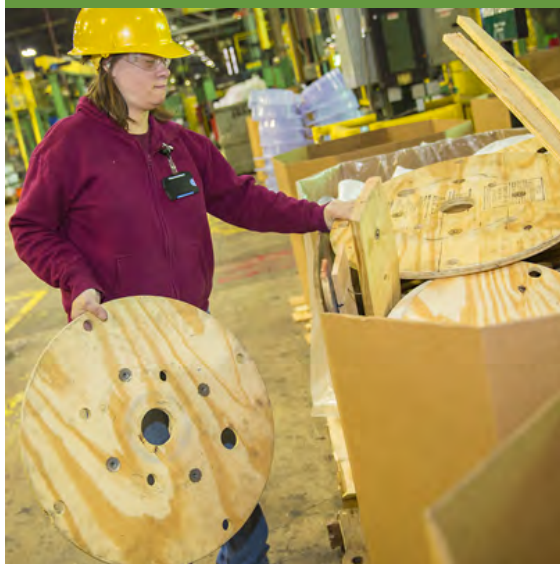
103-3

Southwire evaluates its management approach with regular 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.

# OPERATIONAL WASTE

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

## ABOUT THIS TOPIC



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GOVERNANCE	▼
MATERIALS MINIMIZATION	▼
EVALUATING OUR APPROACH	▼

### 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. For more than a decade, Southwire has actively focused on meeting a zero landfill goal, which we achieved in 2017. We continue to look for opportunities to minimize all types of operational waste at our facilities globally. As part of our Scope 3 emissions impact evaluation, Southwire is taking a closer look at our zero-landfill policy to confirm we are utilizing the management method that is least impactful to the environment.

103-2 ▼

Diverting hazardous and non-hazardous waste from landfills has been 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.

We recently broadened our view of our zero landfill policy to consider the overall environmental impact (e.g., carbon footprint) of the chosen management method. We believe a holistic approach will result in better decisions on how we manage our waste. Our management approach utilizes goals, governance mechanisms and partnerships.

### 2021 SUSTAINABILITY TARGETS & GOALS

After achieving a 94 percent reduction from our 2007 waste-to-landfill baseline for normal operations, Southwire set a goal to reflect our intention to maintain zero landfill status at existing locations and work to attain zero landfill at new locations and facilities. Now that we achieved zero landfill, we are taking a closer look at our zero landfill policy to confirm that we are managing our wastes in the most environmentally-beneficial manner. We expect to complete a science-based evaluation of our waste disposal practices in 2019 and revisit our management strategy if needed.

We are pleased to report our progress toward this 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	2018	2018 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%*	100%
Operate e-recycling programs at all manufacturing and customer service center locations (23 communities)	Percent of Manufacturing and Customer Service centers with e-recycling programs	4%	4%	13%	13%

\*Does not include sites acquired in 2016 (Sumner and Denton), 2017 (DCN) and 2018 (ProBuilt and Garvin).

## POLICIES

Southwire's [EHS 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 Waste Reduction 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

Among our own products, we reduce packaging and other product-related waste material as well. For example, our [SIMpull Solutions](#)<sup>®</sup> 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.

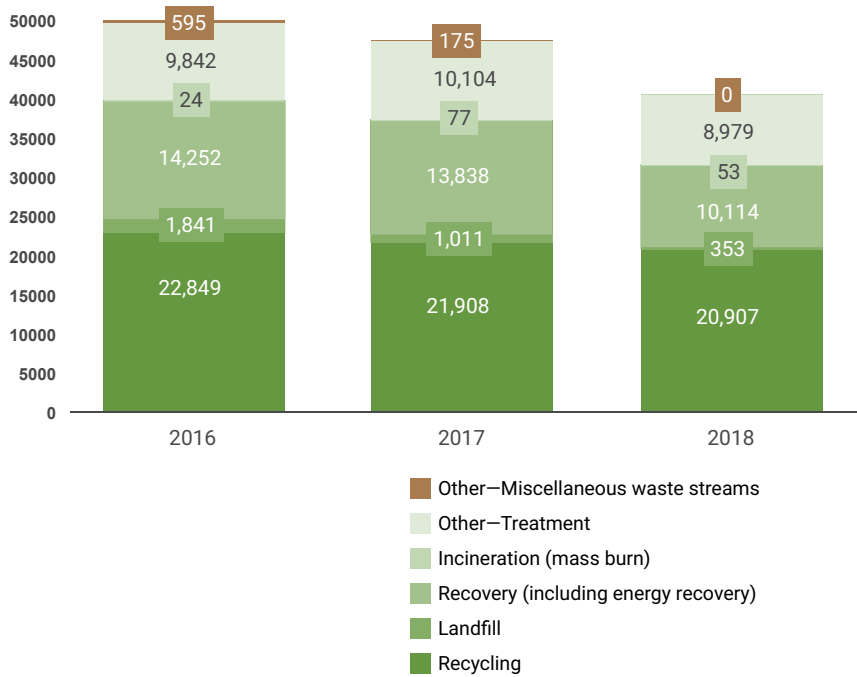
## EVALUATING OUR APPROACH

103-3 ▾

In 2018, we worked with sites acquired in 2016 (Sumner and UCI), 2017 (DCN) and 2018 (ProBuilt) to reduce their operational waste and evaluate non-landfill waste management alternatives.

306-2 ▾

## Waste by Type and Disposal Method (Tons)



WASTE TYPE	HAZARDOUS	NON-HAZARDOUS
Reuse	Unavailable*	Unavailable*
Recycling	0	20,907.0
Composting	0	0
Recovery (including energy recovery)	62.0	10,051.9
Incineration	52.5	0
Deep well injection	0	0
Landfill†	0.1	352.9
On-site storage	0	0
Other-Treatment	121.6	8,857.1
Other-Miscellaneous waste streams	0.4	0
<b>Total</b>	<b>236.6</b>	<b>40,168.9†</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.

# 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 expanded the focus of our tenet, Living Well. The Whole You extends wellness beyond the physical meaning as we strive to support our employees' all-around well-being. The Whole You includes professional experience, health, career, pay, community, life and future. Various Living Well events throughout the year help employees learn about the interconnectedness of one's health and how to improve certain aspects.

Southwire manages four material topics related to Living Well; click on the link for each topic to read about Southwire's management approach and 2018 performance.



We are proud to report our progress against our goals in this 2018 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*	2018 PROGRESS
Achieve 10X increase in injury-free event (IFE) reporting by 2021	46.8	N/A <sup>†</sup>	556 (12x increase)
Achieve 75% decrease in the total recordable injury rate by 2021	1.71	1.22 (28% decrease)	1.14 (33% decrease)
Achieve Occupational Safety and Health Administration (OSHA) Voluntary Protection Program (VPP) or equivalent certification at all sites by 2021	42%	50% <sup>‡</sup>	55% <sup>‡</sup>

\*2016 Baseline and 2017 status values were revised to reflect corrections to site production numbers following the implementation of SAP, which altered the intensity calculation.

<sup>†</sup> IFE were not measured on an enterprise level in 2017.

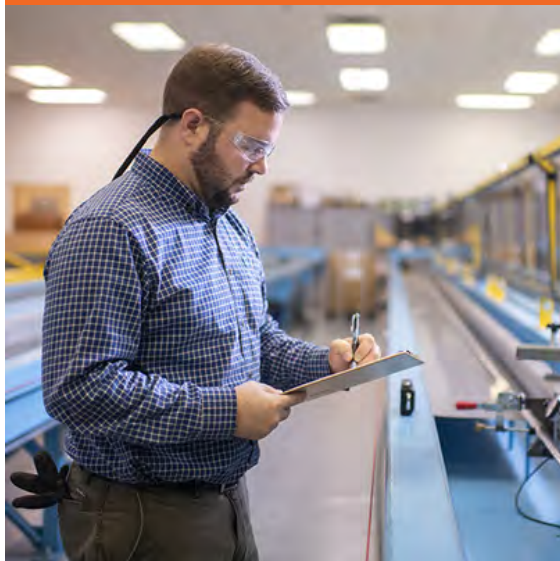
<sup>‡</sup> Status represents the percentage of locations that are VPP-ready (or equivalent). In many cases, the site is waiting for agency action, which we cannot control. Therefore, we are tracking completion based on whether or not a site has submitted an application for acceptance into the program.



# 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.

## ABOUT THIS TOPIC



WHY MANAGING IT MATTERS ▼

WORKPLACE SAFETY ▼

2021 SUSTAINABILITY GOAL & TARGETS ▼

EMPLOYEE WELL-BEING ▼

## 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. Well-being goes beyond the ties to human resources as it is connected to Southwire's organizational strategy and planning. We know that well-being creates the capacity to execute our strategy, allows us to adjust to change faster, better and more efficiently than our competitors and creates an environment that enables our employees to thrive. 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 allows the locations to gauge the effectiveness of their safety management system. The continuum plays a key role in EHS planning processes, serving as a tool for identifying areas that require improvement. This forward-looking approach highlights areas describing excellence and accountability in each area, enabling leaders across the organization to continue to enhance their 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 a variety of consulting firms, who 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 stronger 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. Below we share our progress toward these goals.



### 2021 SUSTAINABILITY GOALS & TARGETS

#### ACHIEVE BEST IN CLASS SAFETY PERFORMANCE AT SOUTHWIRE

TARGET	2016 BASELINE*	2017 STATUS*	2018 PROGRESS
Achieve 10X increase in injury-free event (IFE) reporting by 2021	46.8	N/A†	556 (12x increase)
Achieve 75% decrease in the total recordable injury rate by 2021	1.71	1.22 (28% decrease)	1.14 (33% decrease)
Achieve Occupational Safety and Health Administration (OSHA) Voluntary Protection Program (VPP) or equivalent certification at all sites by 2021	342%	50%‡	55%‡

\*2016 Baseline and 2017 status values were revised to reflect corrections to site production numbers following the implementation of SAP, which altered the intensity calculation.

† IFE were not measured on an enterprise level in 2017.

‡ Status represents the percentage of locations that are VPP-ready (or equivalent). In many cases, the site is waiting for agency action, which we cannot control. Therefore, we are tracking completion based on whether or not a site has submitted an application for acceptance into the program.

#### Governance

We connect employee well-being with leadership at the highest level. Reflecting our emphasis on corporate 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 more than 50 standardized EHS policies and program templates and creating a set of minimum expectations for each location to meet regulatory requirements and Southwire standards. In 2018, we began 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 location by 2021. Due to government delays and the varying speed in which facilities are evaluated for admittance into OSHA Voluntary Protection Program (VPP) and similar programs for certification, we

adjusted our goal slightly to focus on what we can control—being ready for certification. In addition, we adjusted the goal to only consider our baseline sites (acquired prior to 2016) since it takes several years for a site to qualify for VPP (three years of ownership, certain level of safety performance, etc.).

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At the end of 2018, 55 percent of Southwire sites met the goal of being VPP-ready or equivalent.

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Within our U.S. operations, Southwire is working to certify all manufacturing and warehouse operations within the 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 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, a cross-functional team embarked on a journey to study the science of human performance and error reduction techniques. This team included members with roles in environmental, health and safety, quality and operations. Human performance creates an opportunity for the study of decision-making, error-likely situations and risk reduction tools. The Human Performance Team created Southwire-specific training curricula including theory, hands-on-activities, risk reduction and error-prevention tools for all aspects of the business.

Building on lessons learned from a pilot program at our Carrollton, Georgia, Building Wire Plant, we deployed human performance principles and tools at our Starkville, Mississippi location. The interactive training workshops focused on how to recognize error-likely situations, error traps and triggers, which may lead to safety or quality errors and associated risks. We deployed human performance tools focused on stopping work when unsure and conducting pre-job briefs for high risk tasks. The team also provides coaching techniques for front-line leaders and management on how to identify error-likely situations, planning and scheduling of work and mitigation techniques.

### Collaboration with Unions

403-4

Southwire operates one union-represented facility; 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. Southwire 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 meet certain minimum criteria for the following requirements:

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

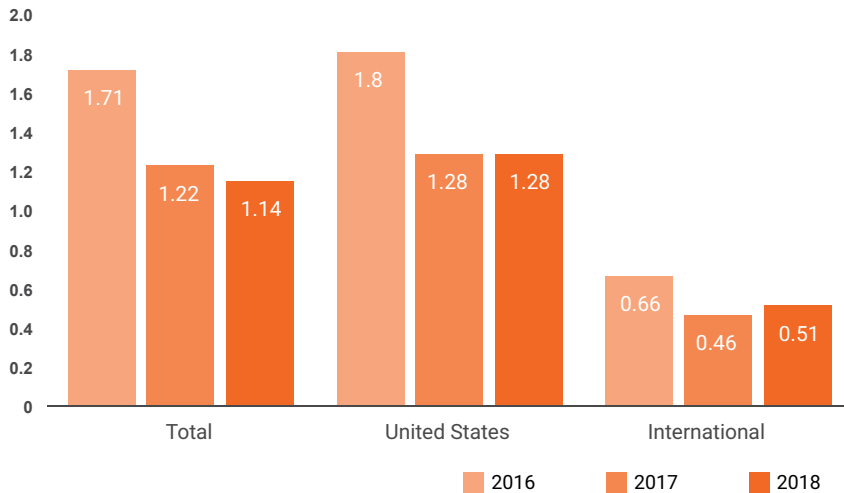
Southwire tailors these requirements to the contractors' type of work. After pre-qualification, we host contractor safety orientations to help teach our internal environmental, health and safety requirements. We also use an electronic reporting system for contractor incident investigations and inspections.

### 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, which 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

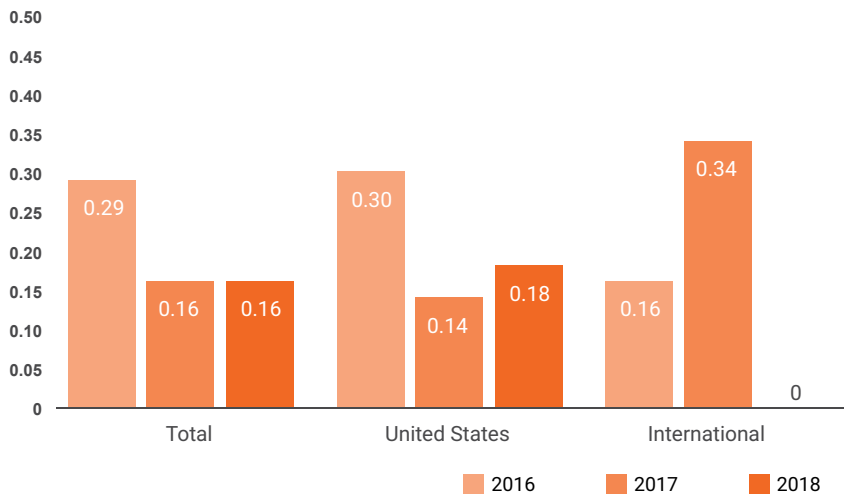
**OSHA Total Recordable Injury Rate (TRIR)—Permanent & Temporary Employees<sup>\*†</sup>**



\*2016 baseline and 2017 status values were revised to reflect corrections to baseline sites.

†Number of incidents per 200,000 hours worked. TRIR includes all "OSHA Recordable Injuries"—first aid is not included, fatalities are included.

### OSHA Lost Work Day Rate (LWDR)—Permanent & Temporary Employees‡



‡Number of incidents per 200,000 hours worked. LWDR days are calculated as work days, beginning with the first day the employee was to work next.

### Work-Related Fatalities—Employees

	2016			2017			2018		
	TOTAL	UNITED STATES	INT'L	TOTAL	UNITED STATES	INT'L	TOTAL	UNITED STATES	INT'L
Work-Related Fatalities	0	0	0	0	0	0	0	1§	0

§A salesperson was involved in a fatal motor vehicle accident while driving to the airport. This devastating incident was the first work-related fatality at Southwire in more than ten years.

### EMPLOYEE WELL-BEING

We expanded the span of our tenet, Living Well. The Whole You program extends wellness beyond the physical meaning as we strive to support our employees' well-being all around. The Whole You includes professional experience, health, career, pay, community, life and future. Various Living Well events through the year will help employees learn about the interconnectedness of one's health and how to improve certain aspects. Southwire employees can learn more on iAM Exchange or via the Southwire News Network.

### 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 2018, Southwire continued our journey toward “ONE Southwire” for Total Rewards and expanded benefits and offered new choices for our employees. This included:

- > Medical decision support to help employees navigate medical problems;
- > 10 days of paid parental leave (expanded in 2018) for mothers and fathers for the birth or adoption of a child and flexible work schedule policy for maternity transition (salaried employees); and
- > Introduction of critical illness, accident and identity theft protection to all employees.

In 2018, we measured our overall participation rate in Total Rewards as an indicator of our ability to meet employees’ diverse and changing needs. We again achieved our target of reaching over 90 percent participation in the Total Rewards choices, proving choice is valued.

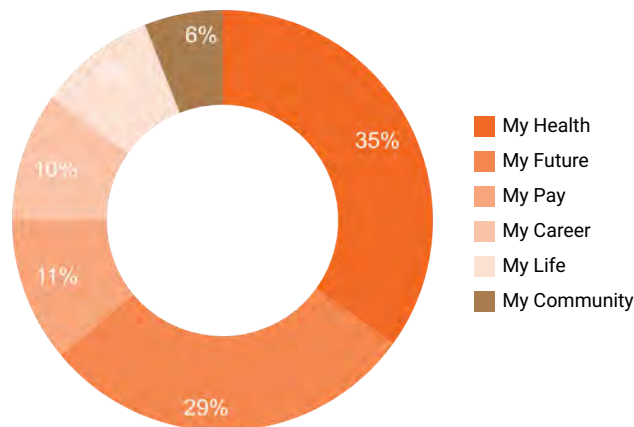
### On-Site Support

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 and provides tobacco cessation support for our employees and their family free of charge. All Southwire locations prohibit smoking and other use of tobacco on company property.

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

- > **Medical Facilities.** In the Carrollton, Georgia area, home to approximately 40 percent of our workforce, we offer an on-site medical center and pharmacy that has operated for more than 25 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 healthy cafeteria options at a reduced price to encourage their consumption and offer payroll deduction at vending locations to improve access.
- > **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 2018 was 40 percent, with some variation by season. This utilization rate does not include other family members such as retirees, spouses and dependents who also joined us in 2018.
- > **Activation Events.** These events are one of many new opportunities introduced to provide a personalized one-on-one experience to create awareness and commitment to overall well-being. In 2018, we expanded our footprint and held activation events in Huntersville, North Carolina; El Paso, Texas; Houston, Texas; and Hawesville, Kentucky. During each event, we asked employees to commit to improving an area of their well-being. “Employee commitment” represents the percentage of employees that engaged with our self-driven application, “The Whole You”, to set goals in the listed areas: My Health (physical medical/health goals—preventive, treatment or other), My Career (career and/or educational goals), My Pay (financial and/or budgeting goals), My Future (savings, retirement and/or planning for events in the future), My Life (emotional and/or work/life balancing goals) and My Community (volunteering for Project Gift sponsored events).

### Employee Commitment



# EMPLOYEE ENGAGEMENT & DEVELOPMENT

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

## ABOUT THIS TOPIC



WHY MANAGING IT MATTERS ▼

PERFORMANCE MANAGEMENT ▼

LEADERSHIP ASSESSMENTS & DEVELOPMENT ▼

LEADERSHIP DEVELOPMENT: PEOPLE MANAGERS & FRONT-LINE LEADERS ▼

SELF-DIRECTED LEARNING: DEGREED ▼

EMPLOYEE ENGAGEMENT ▼

## 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. Our strategic initiative to Build Organizational Capability supports our ONE Southwire journey 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. For managers, we also developed a performance guide that illuminates how certain behaviors, competencies and creating a "line of sight" for employees to connect to Southwire's vision and strategy can contribute to our company's success.

After completing training across the organization for all executive, senior leadership, director and site leader career bands who participated in performance management, we rolled 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	2018 TARGET	2019 TARGET
<b>By Gender</b>	Female	8%	8%	9%	100%	100%
	Male	19%	19%	27%	100%	100%
<b>By Employee Category</b>	Executives	100%	100%	100%	100%	100%
	Senior Leaders	100%	100%	100%	100%	100%
	Site Leaders/ Directors	100%	100%	100%	100%	100%
	Managers	0%	0%	100%	100%	100%
	Individual/Technical Contributors and Supervisors	0%	0%	0%	0%	100%

100% of executives, senior leaders and site leaders/directors participated in performance management in 2018.

## LEADERSHIP ASSESSMENTS & DEVELOPMENT

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 81 high potential leaders by the end of Q4 2019. To date, the program has 56 graduates currently employed at Southwire.

To assess and build the emotional intelligence of 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 our 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 launched two fundamental leadership development programs to support our initiative of Building Organizational Capability. People manager and front-line leadership training are key components of our human capital strategy. Both people managers and front-line leaders will be trained and expected to master the competencies identified as essential for those roles moving forward.

EMPLOYEE CATEGORY	NUMBER OF EMPLOYEES COMPANYWIDE	TRAINING LENGTH
Front-line Leaders	411	One seven-hour session
People Managers	269	Two 6 ½-hour sessions

Both groups completed training in Q4 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. Southwire’s self-driven learning platform, Degreed, allows employees to access learning content through a seamless interface and enriched employee experience, providing a one-stop shop for learning—anywhere, anytime. Through Degreed, all Southwire employees have the opportunity to:

- > Leverage over 3.5 million high-quality, low-cost/no-cost learning assessments;
- > Create individual development plans, set goals and recommend or assign content to team members;
- > Access metrics/analytics to track learning, including academic, professional and informal; and
- > Register for internal as well as external events and training opportunities.

103-3 ▾

## EMPLOYEE ENGAGEMENT

One way we are enhancing engagement and 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.

To track employee engagement, Southwire conducted our 2018 Living Well Engagement survey using a new platform provided by Peakon during a two-week period in October for employees in the United States and Canada, with plans to survey our international locations in the first quarter of 2019. The Peakon platform provides real-time team data and insights, allowing leaders at every level to engage their teams both within the platform and through team meetings to celebrate the wins and create action plans to address priorities. Much like we use the net promoter score (NPS) to measure our customer experience, we now use the employee net promoter score (eNPS) to measure the Southwire employee experience.

Our goal for our first eNPS, using a scale of negative 100 to positive 100, was 18, based on the question asking participants if they would recommend Southwire as a good place to work. Southwire proudly achieved a 33, almost doubling our baseline goal, along with an 85 percent participation rate. Our scores placed us within the top 20 percent of companies within our industry surveyed by Peakon.

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.

### 2018 Employee Engagement Survey

	2018 ENGAGEMENT SURVEY	2018 GOAL	2019 GOAL
Participation Rate	85%	N/A	85%
eNPS	33	18	36



# 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

## ABOUT THIS TOPIC



WHY MANAGING IT MATTERS	▼
GOVERNANCE	▼
POLICIES & COMMITMENTS	▼
EMPLOYEE RESOURCE GROUPS	▼
INCLUSIVITY TRAINING	▼
DATA MONITORING & REPORTING	▼
GRIEVANCE MECHANISMS	▼

## 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: Awareness, Connection and Development. Awareness creates understanding that leads to meaningful connections, which result in the development of a diverse and inclusive workforce. Southwire offers:

- > Special events, keynote speakers and virtual content via Degreed;
- > Project GIFT® activities, which connect employees with each other and our local communities;
- > New hire onboarding and informal networking;
- > Sounding Boards, which connect employees with executive management in a very open dialogue about Southwire's strengths, opportunities for improvement and growth;
- > Employee resource groups (see below).

## GOVERNANCE

Southwire's director of diversity and inclusivity and workforce development leads the company's inclusion efforts. In 2018, we expanded the outreach of our diversity and inclusivity strategy by introducing two new employee resource groups (ERGs) comprising employees from various business areas. Our six groups build objectives to create awareness and a more inclusive workplace for women, people of color, military veterans and their families, 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.

Starting in 2018, performance on our diversity and inclusivity goals directly affects incentive compensation for executive vice presidents, senior vice presidents and vice presidents.

## 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 under Related Resources.

## EMPLOYEE RESOURCE GROUPS

Southwire actively promotes six employee resource groups to further our inclusivity mission. Southwire facilitates and encourages all of these groups through our 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.

TEAM

- 
- > 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.

OFFICIUM

- 
- > 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.

ALLIED

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Our ERGs hosted different events throughout the year to engage group members, such as new-hire lunches via FUSE, a private screening of Black Panther for SPECTRUM, corporate strategy and product training for the Women's Network, speed mentoring events for NEXTgen and participation in Atlanta Pride through ALLIED.

### INCLUSIVITY TRAINING

Southwire offered unconscious bias training sessions during a two-day experience in the summer of 2018 for our company directors, vice presidents and senior leaders. The content was later assigned via our LMS to the "people manager" career band. Southwire is also 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. 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, Degreed, where employees can access assigned tasks or develop themselves in areas they would like to learn or improve, including unconscious bias.

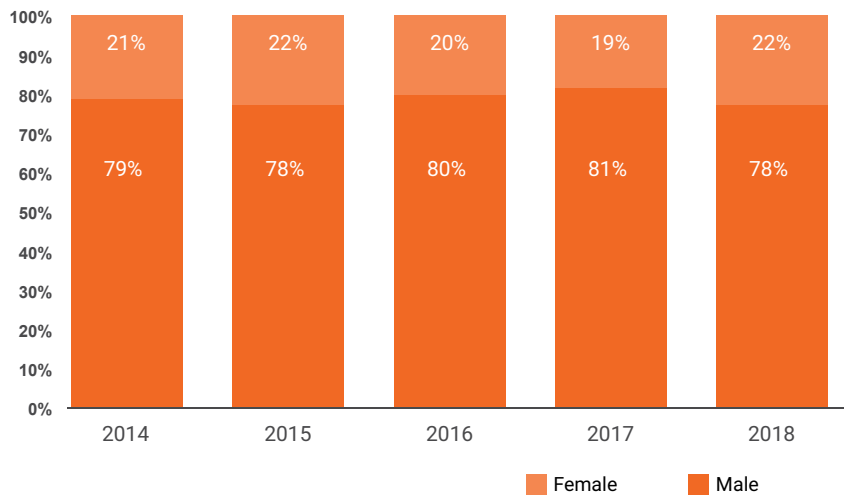
### DATA MONITORING & REPORTING

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.

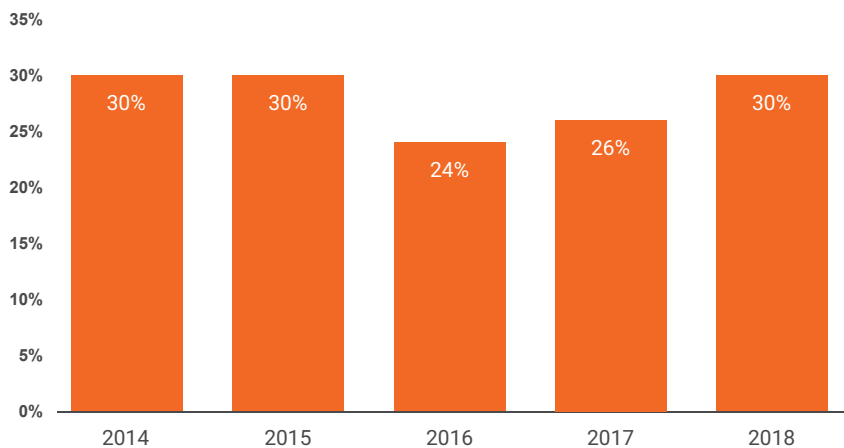
405-1 ▾

#### Permanent Employees by Gender\*



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

### Diverse "High Potential" Senior Leadership Candidates\*



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

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. 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 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 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 site is unionized and has its own process.

# 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

## ABOUT THIS TOPIC



WHY MANAGING IT MATTERS ▼

TOTAL REWARDS ▼

TALENT ACQUISITION & RETENTION ▼

## WHY MANAGING IT MATTERS

103-1 ▼

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

103-2 ▼

## 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 2018, Southwire continued our journey toward "ONE Southwire" for Total Rewards and expanded benefits and offered new choices for our employees. This included increasing the amount of paid parental leave, adding vacation buy-up for salaried employees and short-term disability benefit expansion for hourly employees. Southwire offers:

- > Medical decision support to help employees navigate medical problems;
- > 10 days of paid parental leave (expanded in 2018) for mothers and fathers for the birth or adoption of a child and flexible work schedule policy for maternity transition (salaried employees); and
- > Introduction of critical illness, accident and identity theft protection to all employees.

To deliver on our commitment to enhance alternative working arrangements, we expanded our flexible work schedule, outlined in our Employee Handbook.

Our new Commuter Hub, which opened in May 2018 near SunTrust Park, serves as an open space for employees to bring the flexible work schedule to life.

To further accommodate our employees, we expanded our paid parental leave to two weeks for eligible full-time employees in 2018.

Southwire employees can access their benefits, pay stubs, wellness information, employee resource groups (ERGs) and more on our iAm Exchange network.

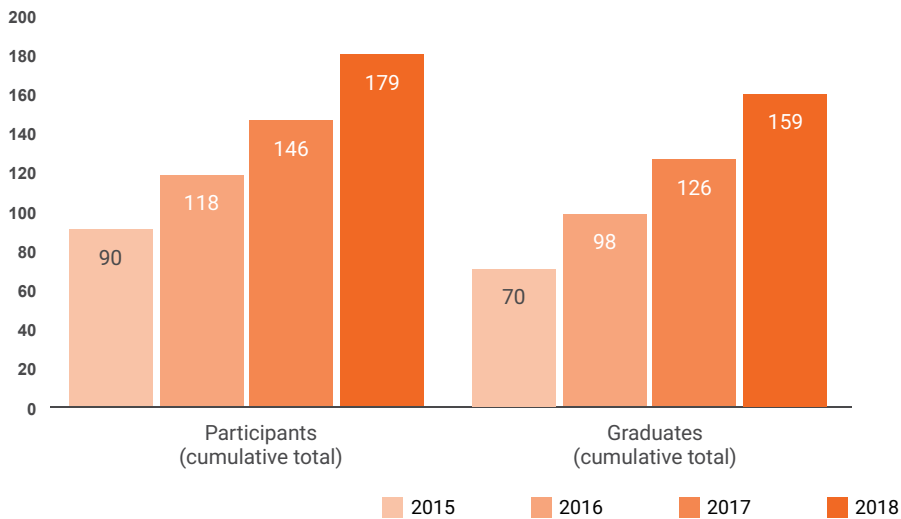
### EDUCATIONAL PARTNERSHIPS

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

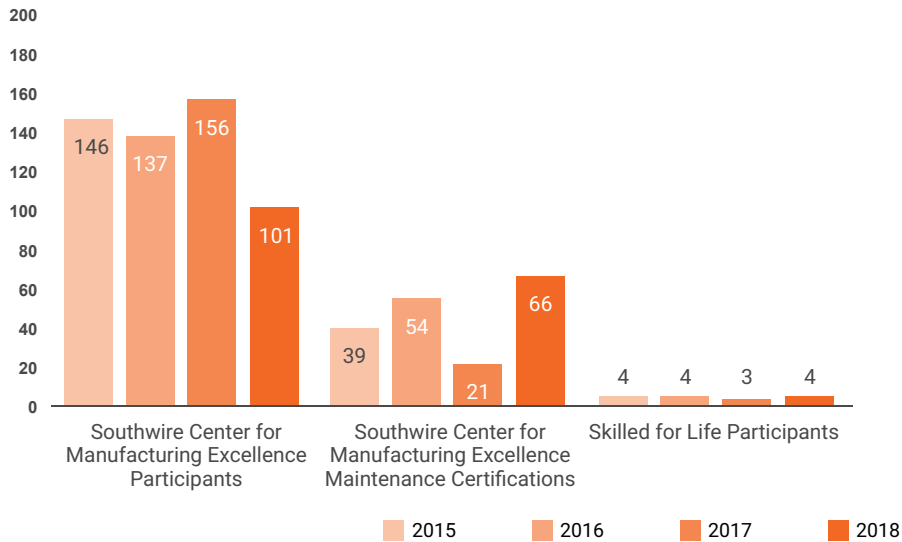
Southwire aspires to increase the number of students pursuing degrees in science, technology, engineering and math (STEM). The Southwire Engineering Academy (SWEA), a partnership between Southwire and Carrollton High School, focuses on STEM subjects and provides hands-on experience for students to work with our teams on value-added, problem-solving projects, data analysis, value stream mapping and more. In 2018, 15 Southwire mentors and coaches provided 3,200 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 Engineering Academy Participants and Graduates



#### 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 graduated three students in 2018.

### 12 for Life®

Another educational recruitment program is Southwire's 12 for Life® program, which provides students 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.

In addition to providing at risk students with the opportunity to work at Southwire while working towards their diplomas, 12 for Life is an innovative way to build a stronger workforce for the future and bridge the skills trade gap. To learn more about this program, visit our [Giving Back](#) page.

## TALENT ACQUISITION & RETENTION

Talent Acquisition, like so many other services, is undergoing massive disruption due to changes in workforce demographics. To thrive, we have focused on the art of self-disruption with our technology solutions and the applicant journey. To measure the effectiveness of adjustments in our approach to nurturing and engaging applications with the goal of positively impacting our speed to market, we use key metrics such as:

- > User conversion rates;
- > Time to hire;
- > Candidate diversity;
- > Total cost of recruitment for open positions;
- > External offers accepted versus rejected; and
- > The candidate experience.

Southwire's new electronic bidding (or e-bidding) system makes it easier for people to apply for hourly positions, replacing paper applications in June 2018. Hourly employees can also see available jobs companywide on the e-bidding platform, creating exposure to additional opportunities.

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	2018
<b>New Employee Hires</b>	Total	1,570	1,101	1,784
	Rate	23.0%	15.6%	25.2%
<b>Employee Turnover</b>	Total	950	1,044	1,448
	Rate	13.9%	14.8%	20.0%

In 2018, 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 artificial intelligence, 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 second Southwire University Experience in which 150 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, Spelman College, Mercer University, Morehouse College, Mississippi State University, Clark Atlanta 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, Southwire Sustainable Business Honors Program students intern at Southwire, providing us with an emerging talent pipeline.

### Student Opportunities

Southwire enhanced and continued to grow our 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.

# 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.

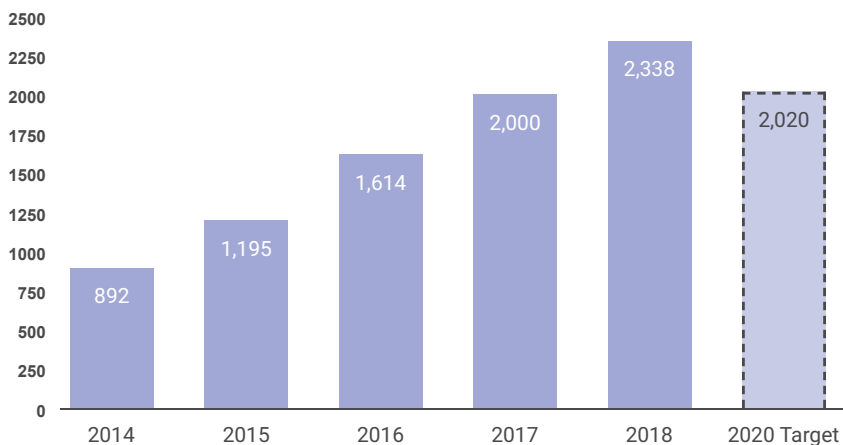


This program serves the community by providing opportunity, education and employment for at-risk youth, emphasizing that education opens doors to success. The 12 for Life program combines traditional classroom instruction with jobs inside a modified Southwire manufacturing environment. Students earn wages for their work and, most importantly, learn skills they will need after graduation. We are proud to report that all five high schools in the Carroll County School system achieved a graduation rate of 90 percent or higher and a **total district graduation rate of 91.35 percent.**

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).

Southwire is pleased to report that in 2018, we exceeded our 2020 goal to graduate 2,020 participants from the 12 for Life program.

#### 12 for Life Graduates® (Cumulative Total)



#### 2021 SUSTAINABILITY GOAL & TARGETS

With sustainability at the forefront of Southwire's strategic growth and community involvement, the company is finding new ways of Giving Back to the community while Growing Green. In 2018, Southwire introduced a new electronics recycling (e-recycling) program that engages our employees and their communities to become more powerful environmental stewards while creating more sustainable communities.

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By 2021, Southwire plans to have e-recycling programs in all communities with manufacturing or customer service center locations.

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Southwire developed this signature environmental outreach program based on the existing successful partnership for e-recycling that the West Georgia Project GIFT team has with Keep Carroll Beautiful, their local affiliate of Keep America Beautiful. Adding to Southwire's longstanding e-recycling events held in the west Georgia area, Southwire established new e-recycling events at its Bremen, Indiana, and Florence, Alabama, facilities in 2018. In 2019, Southwire plans to add five more communities. By 2021, Southwire plans to have e-recycling programs established at all of the communities in which it operates.



## 2021 SUSTAINABILITY GOALS & TARGETS

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

TARGET	2016 BASELINE	2017 STATUS	2018 STATUS
Launch environmental outreach programs in 100% of the communities in which we operate	4% of communities	4% of communities	13% of communities

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

Southwire's employee volunteer program, Project GIFT, celebrated its thirteenth anniversary in October 2018. 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.



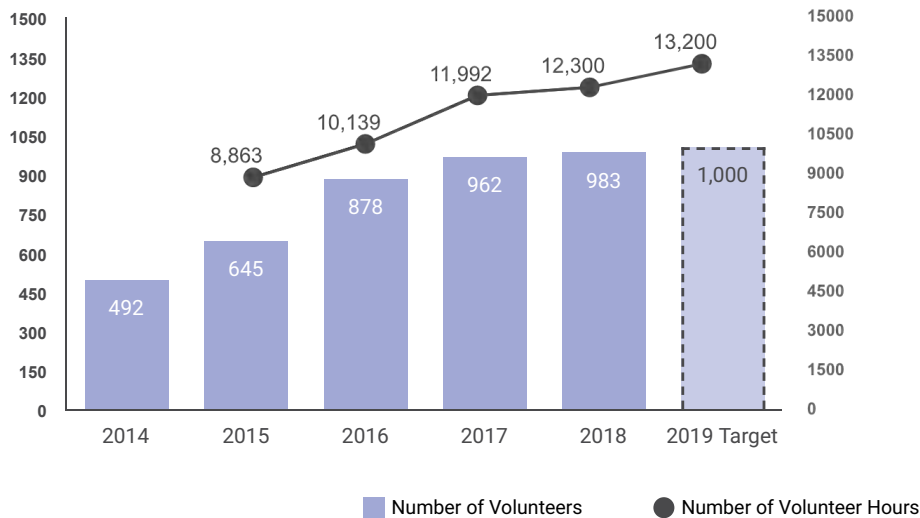
In 2018, Southwire had 23 Giving Back coordinators who volunteer to lead and organize events across our locations in addition to their full-time role. These passionate coordinators make it possible for Southwire employees to engage in Project GIFT.

Employees become "Blackshirts"—named for the coveted shirts they earn—by volunteering in two or more community service events per year. Southwire increased volunteerism in the communities where we operate by achieving 50 percent improvement in Project GIFT Blackshirt participation across Southwire at the end of 2018. We use internal channels as well as social media to connect volunteers and update those interested in Southwire's giving efforts.

In 2018, 983 Project GIFT Blackshirts volunteered 12,300 hours across our communities.

After exceeding our 2018 target for number of volunteers earlier than planned, Southwire set a new target for 1,000 employees to volunteer 13,200 hours in 2019.

#### Southwire Volunteerism



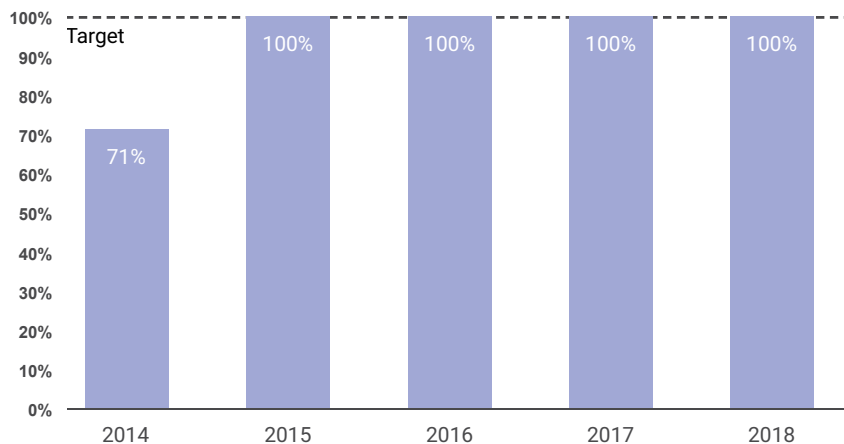
## DISASTER RELIEF

Southwire provides tremendous aid when it comes to disaster relief and reviving our communities across the country, including efforts related to four natural disasters in 2018—Hurricane Michael (Florida), Hurricane Florence (North Carolina), storms in east Alabama and Bremen, Indiana. A total of 11 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. To learn more, watch a [video](#) of Southwire's previous disaster relief support.

## BACK TO SCHOOL

We reached our goal of hosting [Back to School events](#) in all 23 of Southwire's identified communities 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.

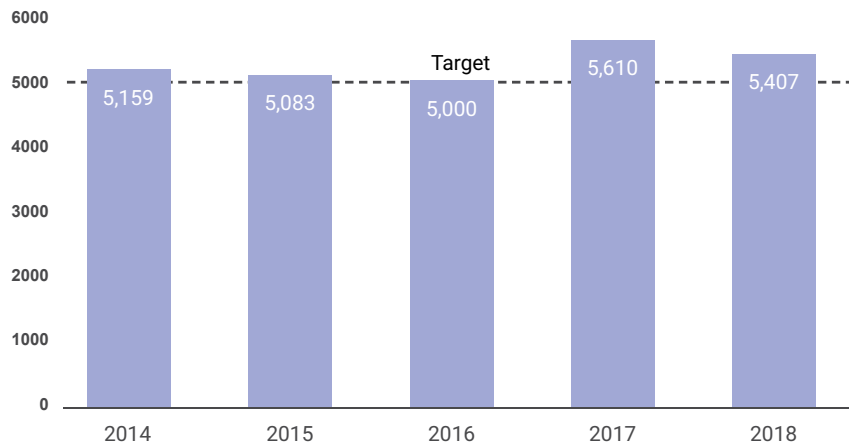
### Back-to-School Event Participation



## TOYS FOR TOTS

To brighten the holidays, Southwire collects toys each year for local Toys for Tots chapters. Through the program, we collected over 5,400 toys in 2018 and donated them to three different communities in Georgia, Texas and Alabama. Project GIFT volunteers in West Georgia now stage a two-day marathon drive open to the community, with a goal of collecting 5,000 toys each year. In 2018, with the help of our sponsors, including 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



## CHARITABLE CONTRIBUTIONS

To align our charitable giving with our Sustainability goals, Southwire implemented “giving strands” that track the company’s philanthropic efforts. Focus areas include:

- > Supporting the communities where we operate;
- > Preparing a better workforce;
- > Partnering with our customers and affiliates; and
- > Protecting our environment.

Southwire creates shared value while improving the economic, environmental and social conditions in our communities.



# 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 the following Doing Right topics; click the links below for details.



We are proud to report our progress against our 2021 sustainability goal for Doing Right:

## 2021 SUSTAINABILITY GOALS & TARGETS

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



TARGET	2016 BASELINE	2017 PROGRESS	2018 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	Adoption of Ethics and Compliance Steering Committee Charter appointing steering committee to drive ethics and compliance goals  Refinement of action plans outlining implementation roadmap with quarterly target

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 maintains our commitment to the principles of the United Nations Global Compact (UNGC), an initiative designed to align strategies and drive operational awareness for companies around universal sustainability topics on human rights, labor, environment and anti-corruption. As a signatory, Southwire and more than 12,000 participants in the world's leading voluntary corporate citizenship initiative commit to reporting our progress toward these 10 principles each year. This gives Southwire the opportunity to share our vision as we support collective endeavors toward global progress. We align our Sustainability Report with the UNGC in our [UNGC Index](#). To learn more about our commitment to the Global Compact, click [here](#).

In addition to our commitment to the UN Global Compact, Southwire has a longstanding commitment to share our management approach and progress annually through sustainability reporting in accordance with the Global Reporting Initiative. Please see [About this Report](#) for details about this year's report.

# 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

## ABOUT THIS TOPIC



## 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. In 2018, we initiated a program to conduct in-person ethics and anti-corruption training at various global supply partner locations, including China, to ensure that our commitment to high ethical standards is cascaded throughout our supply chain.

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.

Southwire is a UNGC signatory, providing the company with additional access to best practices and industry expertise for ethics, as well as strengthening our commitment to ethical business practices. Read about Southwire's [governance structure and practices](#). In 2018, Southwire attended Ethisphere's 10th annual Global Ethics Summit with more than 500 other participants to connect and collaborate with one another. Over 255 unique organizations and 64 industries gathered to hear various speakers present on company purpose; compliance, strategy and discipline; and innovations to measure, improve and transform. Southwire also attended the UN Global Compact Leaders Summit, where stakeholders from around the globe convened to discuss ways that their organizations can advance and support the [UN's Sustainable Development Goals](#).



## 2021 SUSTAINABILITY GOAL & TARGET

This is our second year reporting on Southwire's goal 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.



## 2021 SUSTAINABILITY GOALS & TARGETS

### ACHIEVE BEST IN CLASS SAFETY PERFORMANCE AT SOUTHWIRE

2021 TARGET	2017 PROGRESS	2018 PROGRESS
<p><b>Achieve recognition on Ethisphere's World's Most Ethical Companies list by 2021</b></p>	<p>Completed benchmarking survey with Ethisphere</p> <p>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</p>	<p>Outlined a holistic multi-year new Ethics and Compliance Steering Committee including:</p> <ul style="list-style-type: none"> <li>&gt; Appointment of Chief Ethics and Compliance Officer</li> <li>&gt; New Hotline (online/phone) Reporting and Investigation System roll-out</li> <li>&gt; Revised Code of Conduct and compliance policies in plain English, localized and translated for international locations</li> <li>&gt; Training program for Managers/ Supervisors/Employees</li> <li>&gt; Supplier Code Of Conduct Policy</li> <li>&gt; Development of annual audit plans</li> </ul> <p>Communicated Roll-out plan to the Executive Leadership Team for input</p> <p>Conducted Hotline Portal build-out process for U.S. employees with International build-out in Q2 2020</p> <p>Deployed initial trainings on Hotline Portal with Human Resources teams</p> <p>Engaged with Ethisphere partner via attendance at conferences, in-person meetings and resource exchanges to benchmark program design against the World's Most Ethical Company standards and trends</p>

## 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. As part of our new 2018 Ethics and Compliance Program roll-out plan, we look forward to providing robust revisions to our Code of Conduct and compliance policies in 2019.

## TRAINING

### Ethics Training

At Southwire, we strive to go beyond compliance requirements. Salaried and hourly employees receive ethics training to remain familiar with our ethical code and compliance topics, such as bribery and anti-trust. During our ethics refresher meetings, 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. In 2018, we followed this new policy as we acquired DCN Cables, LLC, Garvin Industries, Inc. and ProBuilt Professional Lighting, LLC as part of our M&A integration efforts.

### Anti-Corruption Training

We firmly reject any corrupt business activity and take measures to ensure our business activities advance internationally without ethics incidents. We require mandatory training for all employees who travel abroad for business purposes to prepare them for possible encounters with corrupt activities. This training includes safety protocols which, combined with our travel policies and procedures, allow 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 ▾

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. In 2018, we conducted the build-out of our new Hotline Reporting and Investigations system, which will allow us to track both online and telephonic reporting through a case management system and maintain analytics on the nature of these reports to improve investigatory resources and inform remediation and training protocols. Phase 1 of this build-out will focus on the U.S., while Phase 2 will expand the Portal capabilities to global users. For a company of our size, historically we have had few incidents or litigation.

## HOLDING SUPPLIERS ACCOUNTABLE

To demonstrate our commitment to ethical business practices along our supply chain, Southwire enforces our conflict minerals and human trafficking policies, both of which are publicly available on our corporate website. Along with our Supplier Code of Conduct, these policies were included in our new Ethics and Compliance program roll-out plan. We look forward to providing even greater ethical rigor within our supply chain as the new plan is deployed in 2019. Additional detail about our supplier policies and programs can be found [here](#).

"I've never worked with a company with higher ethics and integrity."  
– Southwire Supplier

## 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. We anticipate continuing our efforts at promoting transparency as we deliver improved tracking and analytics as part of the new 2018 Ethics and Compliance roll-out plan.

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 our 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 ▾

### 2018 Regulatory Actions

DATE	LOCATION	INCIDENT	ACTIONS TAKEN	MONETARY VALUE
March 2018	El Paso, Texas	The copper concentration exceeded the sewer permit limit, and a Notice of Violation was issued by the City.	The source was determined to be a leaking heat exchanger contaminating process cooling water system. Process water discharge was ceased until the site was able to repair/replace leaking heat exchangers.	\$100
April 2018	El Paso, Texas	Total dissolved solids concentration exceeded the sewer discharge limit, and the City issued Notice of Violation.	The source was a faulty valve in a water softener system. Repairs were made.	\$100
April 2018	Mineral Wells, Texas	A calcium carbonate silo overfilled and released approximately 500 lbs. to ground. A Notice of Violation was issued by the City.	The site implemented silo level detection technology to prevent future overfills.	\$0
July 2018	Carrollton, GA	A Notice of Violation was issued by the City for failure to submit a sewer effluent certification letter on time.	A monthly activity calendar reminder was setup, and two individuals now oversee this requirement.	\$0

DATE	LOCATION	INCIDENT	ACTIONS TAKEN	MONETARY VALUE
July 2018	Starkville, MS	The plant had a process water line backup and overflow. It is unknown if any water was released off Southwire property; however, emergency management was notified as a precaution.	The line was jet cleaned. Also, the plant implemented overflow prevention measures to avoid a similar incident.	\$0
September 2018	Carrollton, GA	During the July 4 shutdown, power was cut off for maintenance, and a cooling water system overflowed and discharged approximately 200 gallons of water to the creek.	The site has developed a startup/shutdown procedure for the process cooling water system to avoid a repeat occurrence.	\$0
November 2018	Carrollton, GA	A solenoid valve malfunctioned and released an estimated 50 gallons to creek. There were no observed impacts to the creek, and no further action was required.	Facility personnel have implemented an alarm system and automatic shutoff controls to prevent the potential recurrence of this event.	\$0

Southwire paid \$200 in fines for non-compliance in 2018. For more information on other regulatory actions in 2018, click [here](#).

# 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

## ABOUT THIS TOPIC



WHY MANAGING IT MATTERS	▼
GOVERNANCE	▼
STRATEGIC SOURCING & PROCUREMENT	▼
SUPPLIER RELATIONS	▼
SUPPLIER SUSTAINABILITY PROGRAM	▼
METALS SUPPLIERS	▼
HUMAN RIGHTS POLICIES	▼

## 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 cathode or PVC resin) for Southwire's downstream conversion into raw materials such as copper rod and PVC compounds.

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, evaluating indicators such as quality, on-time delivery, cost containment and customer satisfaction. We continue to set goals, expand the reach of current and future audits and drive 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.

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[In 2018, we included a human rights clause into every contract that outlines Southwire's expectation of suppliers.](#)

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Southwire is committed to avoiding slave labor, child labor and human trafficking. Southwire's values establish respect for human rights as a fundamental company principal, one that both Southwire employees and suppliers are expected to honor.

## 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.

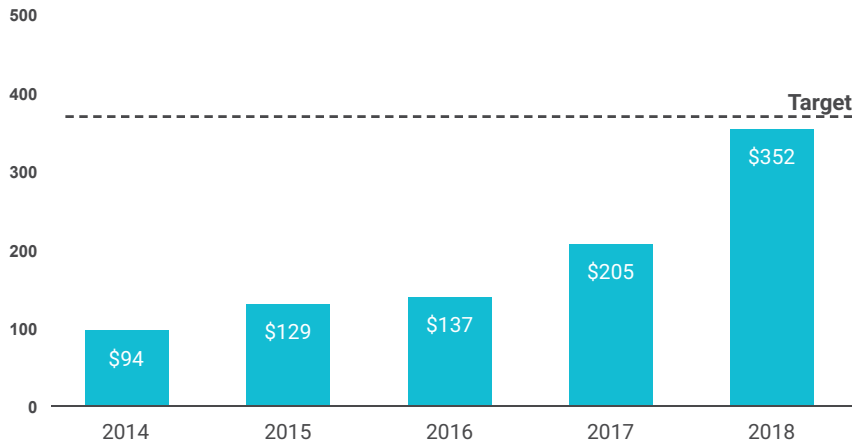
Southwire is an active corporate member of the Georgia Minority Supplier Development Council (GMSDC) and the Greater Women's Business Council (GWBC), which is the regional affiliate of the Women's Business Enterprise National Council (WBENC). Our affiliation with these diverse business groups allows 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 2018, Southwire participated in one-on-one meetings with potential suppliers at the Edison Electric Institute (EEI) Business Diversity Conference in Fort Worth, Texas, and the Veterans Business Conference in Detroit, Michigan. We will continue to support and attend similar events in 2019 to identify additional quality suppliers for our internal database.

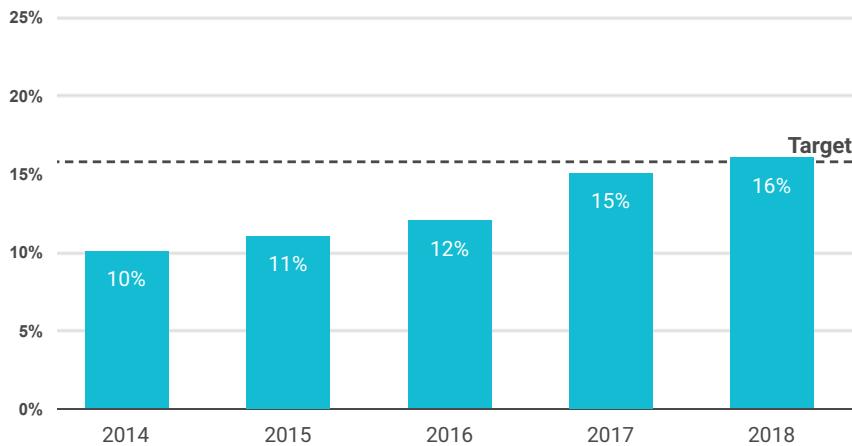
Strategic Sourcing makes concerted efforts to include diverse suppliers in new bids and has contacted existing suppliers to determine whether they qualify as minority owned. Through these efforts, Southwire added 167 new small or diverse businesses to the list of approved suppliers, and diverse businesses represent 16 percent of Southwire's supplier base.

Southwire's spend with small and minority-owned businesses reached record levels in 2018, surpassing \$350 million—a 71 percent increase over 2017 levels. Our goal for 2019 is to continue to increase spend and promote the success of the program. Southwire continues to support the supplier diversity goals of utility customers by reporting our expenditures monthly or quarterly to our top utility customers.

### 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 2018, Southwire has audited 82 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

As a signatory to the United Nations Global Compact, we 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. 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). Southwire was unable to meet our goal to complete 100 percent of Phase II audits by the end of 2018 due to scheduling conflicts with four suppliers, but these remaining audits are scheduled for completion in 2019.

METRIC	PHASE I			PHASE II		
	2014	2015	2016	2017	2018	2019 TARGET
Supplier Sustainability Program audits completed – Phase I Suppliers	20%	65%	100%	Goal Complete	Goal Complete	Goal Complete
Supplier Sustainability Program audits completed – Phase II Suppliers	N/A	N/A	N/A	50%	82%	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 establishes a culture of integrity and helps guide the companies to uphold basic responsibilities to people and the environment. Southwire identified one domestic aluminum supplier that is not a member of ICMM; that supplier is included in our list of sustainability audits for completion in Q3 2019.

## HUMAN RIGHTS POLICIES

Southwire updated our [human trafficking](#) and [conflict mineral](#) policies to align with our focus on supply chain sustainability. Our updated policies now explicitly address labor and human rights considerations and demonstrate to our stakeholders that we actively address these pressing social issues. 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	2018 PROGRESS
10% of EBITDA (earnings before interest, taxes, depreciation and amortization) in the funnel	8%	6%	7%
\$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	\$220 million

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.



# 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

## ABOUT THIS TOPIC



- WHY MANAGING IT MATTERS ▼
- GOVERNANCE ▼
- POLICIES ▼
- QUALITY SYSTEMS ▼
- CONTRACTOR SOLUTIONS ▼
- PRODUCT SAFETY CAMPAIGNS ▼
- EVALUATION MECHANISMS ▼

### 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 leaders, who are focused on enterprise-wide quality. Southwire's quality directors report to our senior vice president of safety, quality and operational excellence, who reports to Southwire's executive vice president, operations. Southwire's chief executive officer has ultimate accountability for product quality and safety.

In the Wire & Cable Group, 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, Wire & Cable Group, is accountable for the quality and safety of all wire and cable 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.

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As we continue to adopt a ONE Southwire approach throughout the organization, we remain committed to Operational Excellence. We will apply our 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.

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## 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, completed their Stage 2 audits and achieved full ISO:9001:2015 certification.

In 2018, Southwire introduced a key element of the enterprise-wide quality system. "Quality In" is our philosophy providing employees a flexible and available framework to build quality in when developing or improving a product, process or service. Our quality team is dedicated to creating a culture where employees are empowered through cross-functional teams to improve their processes and procedures regardless of their role. Quality In goes beyond our products and focuses on processes and services as well. Four distinct steps (Plan, Test, Do and Review) guide our employees at all levels, areas and locations with common methodology and language for team-based work and ideas to overcome challenges.

## 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, Southwire's *SIMPull Reel™* is the safest way to get wire to pull without any lifting or risk of injury. The *SIMPull Reel™* is exclusive to Southwire and gives us a huge advantage in the market to promote safety and productivity.

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 2018, Southwire trained more than 710 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 950 contractors and distributors at the Thorn Center in 2018, just short of our 2018 goal to train 1,000 contractors during the year.

## PRODUCT SAFETY CAMPAIGNS

Southwire is working in 2019 to launch a new version of our successful [2017 safety campaign](#) to address contractors' safety concerns. In our 2017 campaign, a monthly 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

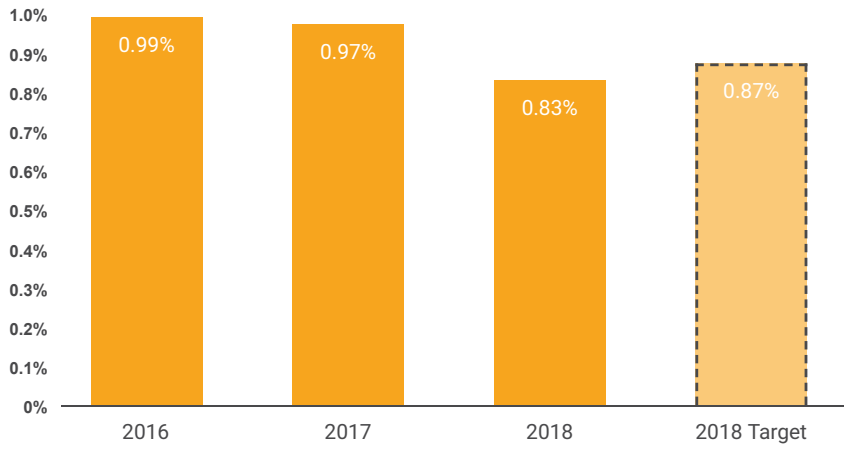
103-3 ▾

To track our Product Quality & Safety performance, we measure the number of returns as a percentage of total revenue and track non-conformance per million feet of product. To improve our product quality and customer relations, our Quality team set a Quality Improvement Goal for 2018 to reduce Nonconforming Parts Per Million (NPPM) by 10 percent using a 2017 baseline. Our Made To Order (MTO) group tested the 10 percent quality goal in 2017. By listening to the Voice of the Customer, collecting data, building a system and making appropriate changes in our process, our MTO group reduced NPPM by 40 percent.

416-2 ▾

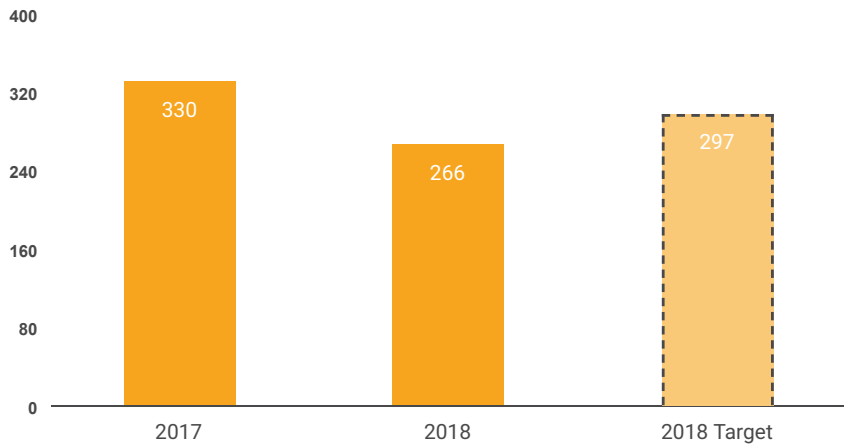
In the unlikely event of a recall, Southwire publishes details about the specific products affected and reasons for the recall.

**Quality Related Returns (percent of revenue)**



\*As measured by Quality Related Customer Credit & Return Dollars (Percent of Gross Revenue).

### Non-Conforming Parts per Million



\*As measured by External Non-Conforming Parts: Wire & Cable (Parts per Million Feet of Product).

# 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

## ABOUT THIS TOPIC



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CUSTOMER-FOCUSED INNOVATION	▼
EVALUATING OUR PERFORMANCE	▼
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COMMUNICATING OUR INNOVATIONS	▼

### 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 address 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 new products, product improvements including reduced material inputs, as well as novel materials and processing of the same. Our stakeholders include customers, R&D, product management, manufacturing operations, legal and marketing.

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.

Southwire’s strategic focus on innovation breaks down company resources into three parts: 80 percent core, 15 percent adjacent and 5 percent transformational. We use innovation platforms to categorize products and solutions based on common elements to organize product and solution offerings. By creating three general focus areas, Southwire’s innovation platforms group specific products and solutions that we offer, including wire & cable solutions, tools, connectors & assembled solutions, power component solutions, service solutions and digital power solutions.

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 and Wire & Cable Technology team, which communicates with each business group 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.

New ideas enter the innovation funnel and follow a comprehensive stage-gate process, seeking stakeholder input and utilizing a stage-gate management system.

Product research and development efforts began in 2018 to bring a power and data cable to the green building market. These products will primarily serve the needs of the United States Green Building Council (USGBC) Leadership in Energy & Environmental Design (LEED) and Living Building Challenge Standard, Green Building Market sector.

## INNOVATION EXPERIENCE

Southwire hosted our first Innovation Experience in May 2018 in Atlanta, Georgia. The Innovation Experience allowed leaders of technical communities across the company to hear clear feedback on existing barriers in ideation and execution as well as new ideas to develop. Participants gained perspective from executives regarding Southwire's progress on strategic objectives, learned from peers working on innovation-related projects and contributed ideas and feedback. We presented three new tools at our Innovation Experience for participants to contribute to idea advancement and product development.

## EMPLOYEE INNOVATORS

We are proud to employ engineers and company leaders with passion and excitement for Southwire's innovations, and we recognize employees who innovate new contributions to our product capabilities. Our Invention Incentive and Milestone Innovators Program empowers and recognizes employees who conceive and develop value-added inventions.

We currently own more than 518 active patents and 20 trade secrets, 75 percent of which originated from Southwire employees.

103-3

## 2021 SUSTAINABILITY GOAL & TARGETS

To emphasize our commitment to R&D focused on our customers' needs, Southwire launched an aggressive Technology and Innovation goal in 2017 with corresponding targets. We are pleased to report our progress toward our goal in this 2018 Sustainability Report.



### 2021 SUSTAINABILITY GOALS & TARGETS

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

TARGET	2016 BASELINE	2017 STATUS	2018	2021 TARGET
10% of EBITDA (earnings before interest, taxes, depreciation and amortization) in the funnel	8%	6%	7%	10%
\$1 billion of incremental revenue tied to these solutions (15% of projected 2021 revenues)	\$0	\$0	\$220 million	\$1 billion

## CUSTOMER-FOCUSED INNOVATION

Our innovations address specific customer needs, which vary by segment. Southwire's organizational structure, which we reorganized in early 2019 to align with our five-year strategic plan, brings all Wire & Cable research, development, compound technology, metallurgy, lab services and advanced materials under one roof and common leadership, paving the way for the acceleration of our core, adjacent and transformational opportunities.

## Wire & Cable

Wire & Cable consists of utility, residential and commercial, industrial and Made to Order, International and Canada.

Wire & Cable 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, Wire & Cable introduced numerous innovative solutions in 2018:

- > **Romex® brand SIMpull® NM-B-PCS Duo™ Cable.** This product combines power conductors along with control/signal cables all under one jacket. Coupled with the SIMpull® cable jacket, this winning combination saves our customers time and reduces installation costs when compared to traditional installations of two cables.
- > **Romex® brand SIMpull® Control/Signal Cable.** An additional expansion to our Romex® brand SIMpull® product offering, this option combines the trusted name in residential building wire with low voltage wire to be used in dimmable 0-10V LED lighting residential applications.
- > **C7® Overhead Conductor with Tokyo Rope Core.** As an update to our already innovative C7® Overhead Conductor, we expanded the product offering in 2018 by launching it with the Tokyo Rope Core. This product update provides our customers with more size and configuration options to have the durable and reliable overhead conductor they need.
- > **Machine Flexible Hook Up Wire.** For ease of installation and increased acceptability, Southwire launched Machine Flexible Hook Up Wire, which is designed with finer tinned copper strand for improved flexibility in difficult installations, is oil resistant and are listed with UL, CSA and CE RoHS-2 for machine applications. These cables are capable of operating continuously at the conductor temperature not in excess of 90°C for normal operation in wet or dry locations, 130°C for emergency overload, and 250°C for short circuit conditions.
- > **VFD 600/1000 Volt With Signal Pair Flexible Cable.** This product is in full compliance with NFPA 79 2018 and is intended to be used as a flexible power supply cable for variable frequency drives and motors, as well as being suitable for cable tray, conduit, raceways, exposed run (TC-ER) and machine tool wiring conforming to the necessary regulations. The additional shielded pair can be used for signal, temperature sensors, or brake in continuous process applications.
- > **115 kV High Voltage Transmission Solid Dielectric Cable.** For our high voltage customers, Southwire launched a 115 kV High Voltage Transmission Solid Dielectric Cable, which is constructed with enameled copper conductors. This expansion upon our high voltage product offering provides our customers with more choices for how they can transmit power, in this case with a lower loss conductor with GHG savings over the conductor's lifetime.

## Tools, Components & Assembled Solutions

The Tools, Components & Assembled Solutions group will continue to grow our core of tools while supporting our Wire & Cable business. Southwire plans to grow our existing solutions, maximizing our ability to accelerate our growth and meet our customers' needs.

Tools, Components & Assembled Solutions, which also includes Contractor Equipment, focuses 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 2018, we developed and launched several innovative, award-winning products:

- > **Maxis® XD1 Extreme Duty Circuit Puller.** The latest in the line of high speed lightweight cable pullers, the Maxis® XD1 Circuit Puller offers a patent pending design to reduce installer fatigue by eliminating the need to pull wire or rope by hand.
- > **Basket Grips.** A variety of basket grips were released to save contractors' time by eliminating cutting, stripping or weaving to make their own pulling head. Each basket grip features a durable galvanized weather resistant steel, double weave mesh for extra pulling strength, which will not corrode.
- > **Testing and Measurement Meters.** In 2018, our multimeter line was expanded to include the 10041N Auto-Ranging Digital Multimeter, 600V AC/DC and 10031S Manual-Ranging Digital Multimeter, 600V AC/DC. The 10031S is intended for basic electrical repairs and troubleshooting, while the 10041N includes additional features such as measuring capacitance, frequency, temperature and duty cycle.
- > **Expanded Screwdriver Line.** Last year, the driver line was expanded to include the 6-in-1 Heavy Duty Nut Driver, the 2-in-1 Adjustable Length Driver and the 4-in-1 Magnetic Rotary Driver.
- > **Edgeforce™ and Southwire Knives.** A completely new product offering for Southwire, these knives are made with premium D2 Steel, an extremely durable, high carbon and chromium metal that holds its sharp cutting edge much longer than other knife steel used in the market. As an added convenience for our customers, each knife is covered under a no hassle, lifetime warranty.
- > **400A Clamp Meters.** As an expansion upon our clamp meter offering, the 400A series was released. For routine electrical repairs, the 21510N measures AC and DC voltages up to 600V and also provides common multimeter functions such as resistance, capacitance, continuity, temperature and diode. The 21530T and 21550T are intended for professional electricians with expanded features such as providing True RMS accuracy and a built-in, non-contact AC voltage detector.
- > **78W Temporary LED Low Bay Light.** This product comes with hardwire and an integral hook for our customers to easily install on jobsites and construction sites. The frosted lens not only helps to reduce glare, but also improves beam angle.

## Metals

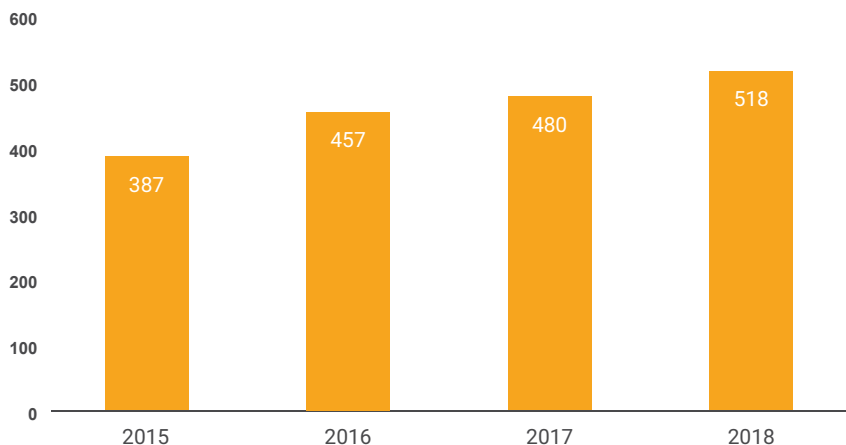
Southwire is excited to introduce a new business group, Metals. Our Metals group sources and manages the company's metal position, serves aluminum and copper OEM rod markets, and sells Southwire Continuous Rod (SCR<sup>®</sup>) systems globally through our SCR Technologies arm. SCR Technologies designs, 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<sup>®</sup> brand) and ultrasonic grain refining (Ultra-G<sup>™</sup> brand) systems.

The world leader in continuous cast copper rod markets, SCR system sizes range from seven to fifty-four 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, die casting 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 active patents and innovation awards our products win each year.

### Active Patents



### Innovation Awards

- 2018**
- > 2018 NECA Industry Partner Award.
  - > Romex<sup>®</sup> brand SIMpull<sup>®</sup> NM-B-PCS Duo<sup>™</sup> Cable. 2018 NECA Showstopper Award.
  - > SCP9TPCB Side Cutting Pliers. Pro Tool Innovation Award, [www.ProToolReviews.com](http://www.ProToolReviews.com)
  - > HBKND2 Folding Knife. Pro Tool Innovation Award, [www.ProToolReviews.com](http://www.ProToolReviews.com)
  - > 10041N Autoranging CAT III 600V Multimeter.
  - > Pro Tool Innovation Awards, [www.ProToolReviews.com](http://www.ProToolReviews.com)
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- 2017**
- > SIMpull<sup>™</sup> Flange. Product of the Year 2017, *Electrical Construction & Maintenance* magazine. 2017 Pro Tool Innovation Award.
  - > 7165SW LED String Lights. 2017 NECA Showstopper
  - > CT50 Heavy Duty Cable Tie. 2017 Pro Tool Innovation Award.
  - > ESP-1 Professional DataComm Snips. 2017 Pro Tool Innovation Award.
  - > S1018SQL Solid & Stranded Wire Stripper. 2017 Pro Tool Innovation Award.
  - > CCP9DE 9" Hi-Leverage Cable Cutters. 2017 Pro Tool Innovation Award.
  - > 40040S Pro Continuity Tester with Remote. 2017 Pro Tool Innovation Award.
  - > 16040T Compact Bluetooth Cat III Multimeter. 2017 Pro Tool Innovation Award.
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- 2016** > MC-PCS Duo™ Cable. Product of the Year 2016, *Electrical Construction & Maintenance* magazine
- > Tappan™ Fire Alarm Cable in a SIMpull® CoilPAK™ Wire Payoff. 2016 NECA Showstopper
  - > TechnicianPro™ Bluetooth CAT IV Multimeter. 2016 NECA Showstopper
  - > ACLHS Adjustable Can Light Hole Saw. 2016 Pro Tool Innovation Award.
  - > CT90 Heavy Duty Cable Tie.
  - > FTSP45-75NCT 75' SIMpull™ Non-Conductive Fish Tape. 2016 Pro Tool Innovation Award.
  - > MPSCP 8" Linesman Multi-Tool Plier.
  - > 40150N Advanced Dual Range NCV 12-1000V & 100-1000V AC. 2016 Pro Tool Innovation Award.
  - > 40150N Advanced Dual Range NCV 12-1000V & 100-1000V AC. [Tools In Action Award](#)

- 
- 2015** > SIMpull™ Reel system. Grand Prize Winner, 2015/16 MAX Awards, which honor the biggest innovations in the state of Georgia across all industries
- > SIMpull™ Reel system. Product of the Year, *Electrical Construction & Maintenance* magazine
  - > MC-PCS Duo™ Cable. 2015 NECA Showstopper Award
  - > EZ-In™ Mini-split Cable. Innovation Award at the 2015 Air-Conditioning, Heating and Refrigeration (AHR) Exposition
  - > EZ-In™ Mini-split Cable. Ranked #2 by *Contracting Business* (Dec. 2015), Favorite Products of 2015
  - > MaintenancePRO™ Data Logging Digital Multimeter. Showstopper award at 2015 NECA show for our 1519

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## 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) and associations such as Independent Electrical Contractors (IEC) and the Association of Building Contractors (ABC).



# 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

## ABOUT THIS TOPIC



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GOVERNANCE & TRANSPARENCY	▼
FINANCIAL INCENTIVES	▼
BENCHMARKING	▼
EXTERNAL EVALUATION	▼

### WHY MANAGING IT MATTERS

103-1 ▼

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 (Wire & Cable; Tools, Components & Assembled Solutions; and Metals)—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 meet to review our financial reports monthly. This process includes a review of variances to Plan, action steps to get back on Plan when needed, and a full-year forecast discussion.

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We share our quarterly reports with Southwire’s board of directors.

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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, and 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.** Like public companies, Southwire holds quarterly earnings calls 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 over three-fourths 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. A recent report from S&P is available under [Related Resources](#). This report is reprinted with permission of Standard & Poor’s Financial Services LLC, a wholly owned subsidiary of S&P Global Inc, copyright 2019, all rights reserved.

# STORIES

## Bremen Hosts Disaster Relief Collection Drive

In the wake of severe flooding in Marshall and Elkhart counties, located in Indiana, Bremen's Project GIFT team hosted a disaster relief collection drive to provide much-needed supplies to victims of the flood. The Saint Joseph, Yellow, Tippecanoe, Kankakee and Elkhart Rivers flooded to historic levels throughout the last week of February, damaging hundreds of homes and displacing several residents. According to Jodie Overmyer, Giving Back coordinator, several members of the community, including Southwire employees, were affected by the flooding.

"Within the first several days, many people, including our employees, were affected by flooded roads, which meant finding alternate routes to work, along with flooded basements from which they were constantly trying to remove water," said Overmyer. "Many others who lived along the rivers in each county were displaced from their homes and are still struggling with the clean-up and restoration efforts. I personally know a family that is still living with neighbors as they work on restoring their home to a livable status, while also trying to carry on with normal, daily life."

Bremen's Project GIFT team hosted their third disaster relief collection drive to collect food for flood victims. In addition to the one-day collection, the team also donated \$2,500 to United Way of Marshall County and \$2,500 to the Elkhart County Community Foundation to assist with repairing and replacing hot water heaters, furnaces and other appliances that were damaged. Since the flooding subsided, victims are still working to repair and restore damages, but disaster relief efforts throughout the community have made a substantial impact in the clean-up process. "We live in an incredible community," said Overmyer. "In tough times like these, it is amazing to see the support despite the hardship many are facing and the unity that brings us all together."



# STORIES

## California CSC Achieves VPP Star Status

Southwire's California Customer Service Center (CSC) in Rancho Cucamonga held a flag raising ceremony on Friday, July 20, in celebration of its achievement as a Voluntary Protection Program (VPP) Star Site through the Division of Occupational Safety and Health (DOSH or Cal/OSHA).

According to Cal/OSHA'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. "This has been a five-year journey and there have been many victories and lessons learned, but our employees have always been a key to our success," said Hermis Udokop, California CSC manager. "VPP is an employee driven safety program and the level of dedication that our employees have shown over the last five years has truly been remarkable."



Throughout the road to VPP Star Site status, employees at Southwire's California CSC worked diligently to understand and identify areas for improvement. Major focuses for these improvements included upgrades or additions to machines and safety signage. Employee engagement was also integral to this achievement through organizing safety awareness projects, conducting investigations, performing various audits and inspections, attending and leading training sessions and completing action items from the final report. "There is a quote that says, 'culture can define management systems, but management systems will never define culture,' and our employees have really taken that to heart," said Udokop. "All of our employees have embodied our safety culture here at California CSC, and we look forward to sustaining and continuously improving our commitment to safety."

As part of the celebration, employees, company leadership, Cal/OSHA executives and state and local officials gathered to share a meal at the facility. "Becoming a VPP Star site is the gold standard for safety that only 69 sites in the state of California have achieved," said Brent Rogers, Southwire's vice president of distribution and transportation. "At Southwire we are committed to creating a culture where safety is at the forefront, and that starts with all of us. When we see this VPP flag, we need to view it as not only an honor, but also be reminded of the hard work and discipline that went into achieving this certification."

Congratulatory speeches were presented by Iraj Pourmehraban, Cal/OSHA VPP manager; Rancho Cucamonga Mayor L. Dennis Michael; and Melissa Boyd, representative for the California Senator's office. 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.

"VPP is a never-ending journey, and it is everybody's program" said Pourmehraban, "We are looking forward to our partnership with Southwire moving forward as we learn from each other."

# STORIES

## **Employee Innovators Contribute to Southwire's Competitive Advantage**

Through the Invention Incentive and Milestone Innovators Program, employees are empowered and recognized to conceive and develop value-added inventions for Southwire. The organization currently owns more than 480 active patents and 20 trade secrets – 75 percent of which originated with Southwire employees.



# STORIES

## How is Your Voice Being Heard?

On October 1, 2018, thousands of employees began submitting their anonymous feedback to the Living Well Engagement Survey. The survey was available to all employees within the United States and Canada until October 14 through Peakon, an employee engagement platform that will help identify areas for improvement in real-time and deliver the insights we need to drive our business forward. Employees were asked to answer 16 questions, rating each on a scale of 1-10. Each question also gave participants the option to include comments. After thousands of responses and tens of thousands of comments, leaders are viewing and responding to the anonymous feedback, looking for ways to better their teams and the organization as a whole.



# STORIES

## Living Well Expands the Meaning of Wellness

In 2018, Southwire's Living Well team will continue to expand the meaning of wellness beyond physicality through The Whole You – the organization's total rewards brand dedicated to supporting and developing employees' entire well-being.

The Whole You encompasses each facet of professional experience, including health, career, pay, community, life and future. Each part of The Whole You includes tools Southwire provides employees to improve their wellness. According to Cayla Lee, Living Well manager, a holistic approach to wellness is the key to being successful in all aspects of employees' lives.

"It is important to understand and recognize that one area of your life impacts all other areas of your life," said Lee. "If you think about your financial stress, it impacts your work life, emotional and mental health, relationships and vice versa. We have many total rewards in place that can help employees take charge of their health as it relates to all of these areas, which will in turn exponentially improve their overall well-being."

To provide employees with the proper tools to optimize their wellness, the Living Well team is planning "Activate" events at a different location each quarter. Each event will provide employees with opportunities to find out more about each area of The Whole You and identify areas of improvement in their lives.

"We strive to be an avenue of information and resources for employees to explore how to better their well-being," said Lee. "We will provide education, trainings and Activate events at select locations throughout the year to help employees engage with this information and resources."

For more information about each part of The Whole You, employees may visit The iAM Exchange at [iam.southwire.com](http://iam.southwire.com) or stay tuned to the Southwire News Network (SNN).





# STORIES

## Project GIFT® Hosts Back to School Events

Each year, Southwire's 23 Project GIFT locations participate in donating school supplies to their local communities. In total, the company donated more than 22,000 bags throughout North America. The following locations are just a few of the incredible Project GIFT teams that made an impact in 2018.

### West Georgia

2018 marked the 14th annual Back to School (BTS) event that the west Georgia Project GIFT team has hosted for their community. More than 3,500 bags of school supplies were distributed during the event, and the remaining bags were donated to local non-profit organizations. "I never get tired of watching those sweet, smiling faces walk out of the main tent so excited to carry their very own bag of school supplies," said Kristian Whittington, manager of employee engagement and Giving Back coordinator. The event was hosted on July 14 to kick off the Southwire BTS initiative and saw more than 100 volunteers. In total, the event served nearly 3,000 attendees that represented more than 160 local schools.



### Douglas, Georgia

On July 27, 22 Blackshirts from Douglas, Ga., distributed 2,000 school supply bags for their Back to School event, which took place at the Central Square Complex Gym, located in downtown Douglas. Their event featured many other activities for those participating including haircuts, eye exams, backpacks and fire safety lessons. "I really enjoyed seeing the kids' happy faces and the Blackshirts coming together for the event," said Angie Ragsdale, Giving Back coordinator. "Our Blackshirts are working very hard this year to win the Kim Meeks Award. We have recruited a lot of new employees and they are loving being a part of such a great team."

### Starkville, Mississippi

Starkville distributed 1,500 bags to their community on July 28. The event was held in the plant's parking lot and boasted 30 volunteers. The talk of the event was the prize given to the 25th car in line at the Starkville campus. The winners, two twin girls, received two backpacks stuffed with additional supplies and two \$75 gift cards. "We all had a great time giving out bags and interacting with the kids," said Rochelle Harris, Giving Back coordinator. "It was such a success that we had given out all of the bags before the event's scheduled end at noon."

### Florence, Alabama

Nearly 1,500 bags of school supplies were given out at Florence's Back to School event on July 28, at the field next to their building wire plant. Fifteen Blackshirts volunteered for the event which featured free food, face painting, fire safety lessons and a bouncy house for the children. Florence also had small door prizes and hid apples within many of the bags given out. Whoever found an apple in their bag was given a gift card to complete their back to school shopping. "We try to make this event bigger and bigger every year and this year we had the biggest crowd yet," said Amanda Berry, Giving Back coordinator. "I would like to see more of our community participate in the future so that we can continue to reach out to those who need it."

### Hawesville, Kentucky

Hawesville, Kentucky's Project GIFT team was able to provide their local community with 1,000 Back to School (BTS) bags at their BTS event on July 28. Twenty-six Blackshirts volunteered, including Donnie Sanders, Giving Back coordinator. The Kentucky team partnered with their local school system, Hancock County School System, to participate in this event, which was held at the Hancock County Fairground. "My favorite part of the event was seeing our volunteers serving with their families," said Sanders. "We had a lot of volunteers and a lot of people show up, so it was a good day."

### Denton, Texas

Southwire's Denton, Texas plant hosted their Back to School (BTS) event on August 11th as a part of the Denton BTS Fair. The Project GIFT team gave out 800 bags and partnered with suppliers who donated additional hand sanitizer, plastic rulers and boxes of Kleenex. Other sponsors donated financially to help Southwire provide backpacks with the school supplies that they gave out. According to Sal Avila-Sanchez, Human Resources manager, more than 3,000 students pre-registered for the event. "We shared the recently built Gateway Center, at the University of North Texas, where many other local organizations also provided education and services to serve over 1,500 families," said Avila-Sanchez. "We were proud to represent Southwire."



# STORIES

## Project GIFT® Hosts Giving Back Summit & Annual Volunteer Banquet

### Giving Back Summit

Kristian Whittington, manager of employee communication and engagement and Giving Back coordinator, brought the Giving Back coordinators together for the first time since 2015. Of the 23 coordinators, 15 were able to attend. "The main goal of this Giving Back Summit was to get our coordinators together and provide them with the tools they need to continue building Project GIFT® outside of west Georgia," said Whittington. "These coordinators are the heart of Giving Back through Project GIFT, so the opportunity to share their successes, challenges and ideas will hopefully inspire them to build upon the achievements they made in 2017."



The Giving Back Summit kicked off on April 27 with a welcome dinner where Kathleen Edge, executive vice president of Human Resources (HR), honored the coordinators for their efforts at the Bell House in Heflin, Ala. During the second day, the team learned about Southwire's Giving Back focus and shared feedback in a roundtable discussion. The coordinators also participated in a Giving Back event of their own where they packed more than 335 bags of food for Feeding Cleburne, a charity dedicated to providing food for Cleburne County residents who go without.

According to Vivian Montes, HR administrator for Southwire's Sumner facility in Houston, Texas, the summit was especially beneficial for newcomers to the company's Giving Back efforts. "My favorite part of the Summit was our visit to Cleburne County," said Montes. "I got the opportunity to visit the Feeding Cleburne Food Distribution Center and assist with putting bags of food together for those in great need. I have to say, it gave me chills of excitement and happiness knowing that I was part of such a great cause. I enjoyed working with everyone that attended the summit, and I hope to return to Sumner and provide a better understanding of how it all comes together."

For the finale, the coordinators toured the Heflin Plant, participated in a Disaster Relief demonstration and attended the Project GIFT Volunteer Appreciation Banquet.

### Project GIFT Volunteer Banquet

More than 100 Blackshirt volunteers from west Georgia and 15 Giving Back coordinators from Greater Southwire Area locations highlighted successes in 2017 at the Project GIFT Volunteer Appreciation Banquet on March 30 at the Burson Center in Carrollton, Georgia.

Whittington along with Nadia Aghaie, corporate communication specialist, and Rich Stinson, president and CEO of Southwire, were a few of the speakers to review the year. Natalie Henley, HR manager and Giving Back coordinator for Starkville, Miss.; Sandy Sharpe, HR manager and Giving Back coordinator for Douglas, Ga.; and Andrew Kukwa, warehouse specialist and Project GIFT volunteer at California CSC in Rancho Cucamonga, Calif., shared their favorite stories from 2017.

The highlights of the afternoon, however, were honoring one of Project GIFT's volunteers for their commitment and the unveiling of the Kim Meeks Award, which recognizes a Greater Southwire Area location that has had the most impact in their community throughout the year.

Ricky Hays, maintenance specialist at the Villa Rica Plant, was presented with a plaque and special hat for his dedication to the nonprofit. With 37 volunteer opportunities and nearly 1,750 hours of service, Bremen was announced as the Kim Meeks Award winner for the second year in a row. Jodie Overmyer, quality assurance technician at Southwire's Bremen Plant, accepted the award on behalf of the facility. "It was a surprise to win for two years back-to-back," said Overmyer. "It meant a lot to us to know that our volunteers are staying consistent and even improving. After a great couple of days at the summit, I am excited to return to Bremen and continue making an impact in our community."

# STORIES

## Project GIFT® Raises More Than \$25k for Relay

Over the past few months three Project GIFT teams have been working to raise funds for the American Cancer Society (ACS) through participation in local Relay for Life events. Relay for Life is ACS's signature event and marks a time to honor, remember and celebrate those who have been affected by cancer.

### Starkville, Mississippi

This year marks Starkville's 13th year of participation in their local Relay for Life event inspired by Dr. Seuss's "The Cat in the Hat." Blackshirts from Starkville sold barbecue, drinks and chips at their tent to raise funds during the event. The Starkville team faced an additional challenge this year.

Previously, their local Relay for Life was held in August; however, this year it was rescheduled to May, causing time to be an obstacle. Despite this, the team still managed to raise a record amount of funds totaling \$13,745. Rochelle Harris, Starkville's Giving Back coordinator, expressed her dedication to the fight against cancer. "Cancer is a battle, but we are fighting against it every day by raising awareness, researching for cures and being there for one another," said Harris. "We can conquer and get through this deadly disease as long as we continue to fight against it."



**Carrollton, Georgia** On May 4, 24 Blackshirt volunteers from the West Georgia area participated in their Star Wars-themed Relay for Life event. Jordan Weathers, corporate Human Resources specialist, was instrumental to the success and planning of this year's event. Weathers incorporated interactive stations for attendees to donate and participate in the various Star Wars activities. "My favorite part of Relay for Life was simply seeing the sheer number of people involved and in attendance," said Weathers. "It's an incredible event, and the level of support from the west Georgia community was amazing. The event itself is a time to remember those who have passed due to cancer, honor those who have fought and won their battle against the disease and rally around those who may be fighting now." Star Wars-themed "Rebel Against Cancer" t-shirts were sold prior to the event to help raise money. Through t-shirt sales and funds collected during Relay for Life, Carrollton was able to donate more than \$10,000 to ACS.

**Bremen, Indiana** Entering their fourth year of participation, Jodie Overmyer and Christie Alley, both Giving Back coordinators, led their team through another successful event. This year's theme was "Carnival for a Cure." The Bremen team integrated the theme into their activities with a Ring Master and an opportunity for kids to jump through hoops and run around a ring. They also sold their Relay-famous walking tacos as an onsite fundraiser. "I believe the Luminaria Ceremony is one of my favorite parts," said Overmyer. "It really makes you think, as you are passing each Luminaria bag, about how many lives are affected by such a terrible disease, including not only those who are battling the disease or have lost their fight, but those who are also living with the pain of watching their loved ones through the battle." This year Bremen raised more than \$2,000 for ACS to beat their total funds raised for Relay for Life in 2017.

# STORIES

## Quality Sets 2018 Goal

Southwire's Quality Improvement Goal for 2018 is to reduce Nonconforming Parts Per Million (NPPM) by 10 percent in relation to 2017. The NPPM metric was introduced in the 2017 June/ July issue of Inside Southwire as the ONE Southwire metric to reflect the organization's quality performance. According to Angela McKeirnan, vice president of quality, the goal is based on quality-related customer returns, after tracking quality measurements throughout 2017. Reducing the number of returns is vital to retaining customers and expanding Southwire's customer base. "In 2017, we standardized on a ONE Southwire product quality metric – NPPM – because it is both a standard quality measurement and a reflection of the customer experience," said McKeirnan. "Of course, no measurement tells us everything about the customer experience, but by working on the leading indicators and using standard quality tools, we will drive down the NPPM."



Southwire's OEM business unit, which is comprised of four facilities – Bremen and Lafayette, Ind., and El Paso and Mineral Wells, Texas – tested the 10 percent quality goal in 2017. By the end of the year, the group had surpassed the goal, reducing NPPM by 40 percent. Michelle Turner, OEM Quality Manager, was a vital piece of that success. "In today's market, one of the most important aspects of our products and services is quality," said Turner. "The OEM group was able to realize outstanding improvements in 2017, and the key to this has been the support of the OEM leadership team. We also realized that we needed to listen to the Voice of the Customer, collect the data, build the system and make the appropriate changes in our process in order to properly address our customers' feedback. This, in turn, eliminated the opportunity for nonconforming products. Customers who get their concerns resolved quickly and effectively are not easily won over by the competition."

Identifying areas of improvement and providing sustainable solutions were also an important part of improving quality at such a rapid pace. The OEM team began by prioritizing complaints and top customer issues using Standard Tools. Then, the OEM sales force organized customer visits with those who expressed complaints, as well as other customers in their portfolio. After numerous visits compiled with available data, formal complaints, emails and phone calls, the team was able to improve their quality systems and reduce variability. "A good example of this process is the relationship we now have with TE Connectivity," said Turner. "In 2016, Bremen had 16 complaints from TE Connectivity for print issues and a total of 798,602 feet in returns. The Bremen team invited the quality representative to the Bremen facility, showed him the process and worked with him to develop an agreed upon specification for print. A project was initiated at Bremen to improve print quality, including the training system, and clear expectations. As a result, there were zero complaints for print issues from TE Connectivity in 2017. This also resulted in a 50 percent reduction in print issues overall."

According to McKeirnan, quality improvements are more than a metric. Each employee plays a part in Southwire's success, so it is important to be aware of inconsistencies and address them. "The idea that 'Power is Life' is true, and our customers trust us to make the highest quality products in the world – not just because they want the best product for a competitive price but because Southwire's products power so many things we depend on: our homes, schools, workplaces, hospitals and so much more," said McKeirnan. "To ensure we produce excellent products, employees can participate in numerous ways. First, know that your role is incredibly important to our customers, and everything you do is important to them. Second, do everything you can to produce our products exactly to the specifications to reduce variation. Finally, if you are not sure we are running a product within conformance, stop the line and get a supervisor or Quality team member. To minimize returns and scrap, we need to recognize and address any potential nonconformities to ensure everything we build and ship will meet the product specifications and customers' expectations."

# STORIES

## Southwire Canada Gives Back Through Several Events

Southwire's Giving Back team at Canada headquarters, located in Mississauga, Ontario, participated in three community events during the month of May – a Big Bike Ride, a Mother's Day 5k and a tree planting event.

**Big Bike Ride** The first event, a Big Bike Ride in support of the Heart and Stroke Foundation, which takes a holistic approach to fighting heart disease and stroke, took place on May 9. Twenty-four Blackshirts participated in the bike ride in memory of John Montgomery, an employee of Southwire Canada who passed away due to cardiac arrest earlier in 2018. Nirmala Gabriel, Giving Back coordinator, was instrumental in the planning of this event. "Along the way, we interacted with pedestrians and received a lot of love and appreciation from people at bus stops, in cars and even those walking down the street," said Gabriel. "The volunteers loved it, and they enjoyed the interaction." Southwire's donation of \$3,000 went towards the organization's efforts, which focus on awareness, research, prevention and improving emergency response, treatment and recovery.



**Mother's Day 5k** On May 13, two of Canada's Blackshirts, Pauline Morgado, customer experience manager, and Nirmala Gabriel, Giving Back coordinator, spent their Sunday participating in a Mother's Day Walk hosted by the Breast Cancer Society of Canada. This 5k attracted nearly 400 attendees and is a part of the organization's efforts to fund breast cancer research. The event honored those affected by remembering those who have passed, showcasing several survivor's stories and hosting guest speakers, who spoke about the progress on research. "I was overwhelmed and humbled at the same time by this event," said Morgado. "I had a dear friend who was diagnosed with the disease. She was able to beat it and now has been cancer free for over five years. This was an opportunity I will definitely participate in every year." May 13 marked the 27th year of this Mother's Day Walk. In total, the team was able to donate \$1,000 to this organization.

**Tree Planting** Several volunteers came together on May 31 to plant trees for the One Million Trees Mississauga initiative. This initiative was created to help conserve and enhance the city's open space and forested areas for future generations to enjoy. The team was able to plant 70 tree saplings in two hours – this normally takes 15 volunteers. "This was a great experience for me and the first time I have ever planted anything," said Duhane Dyce, warehouse specialist. "I knew I was a part of something much bigger than myself – it is for my community's future." This event aligns with Southwire's sustainability commitment to Growing Green and allowed Southwire Canada to achieve their goal of leaving their footprint in the city of Mississauga. The team also donated more than \$700 to the initiative.

# STORIES

## Southwire Hosts First: Southwire's Innovation Experience

Building on Southwire's journey to become a diversified industrial electrical company by 2022, the organization hosted its first Innovation Experience in May. The two-day event took place at the Georgia Institute of Technology's Global Learning Center in Atlanta, Ga. The company's technical community, including engineers, company leaders and many others actively involved in the company's research and development efforts, came together to move forward with the five-year strategic plan.

During the experience, participants were able to gain perspective from executives regarding their vision and Southwire's progress toward completing strategic objectives, learn from peers who are working on innovation-related projects across the company and work in teams to contribute ideas and feedback. "Our employees want to add value and be involved in developing an innovative future for Southwire," said Brad Freeman, vice president of innovation. "The Innovation Experience, allowed us to get clear feedback on what our technical community's barriers are, energize them and gather some incredible ideas that we are already looking to develop. While we may not be able to replicate this experience every year, we will definitely continue to involve and empower our employees throughout the company's journey."

Three tools were launched and tested by these groups – PlugN2, Design Boost and Forge – for ideation, idea advancement and product development. Participants were also able to see, in real-time, how ideas and concepts can mature into potential new products for the company. "Through the tools introduced at the event, the passion we saw from our team and the growth markets in which we are focusing, we believe we have a solid recipe for success," said Tom Doring, executive vice president of corporate strategy, research and development and business development. "Our objective is to be the most innovative company in our space, and to do so, we must ensure that our team is empowered to develop the solutions needed for the future."

The first day featured several presentations including members of Southwire's leadership team and Eileen Bartholomew, a technology strategist focused on digital transformation, exponential technologies and business models, who spoke to the group about innovation and the future that innovative ideas will create. During the second day, employees got a chance to brainstorm new ideas with Spigit, the group that introduced the PlugN2 tool, which led to more than 200 ideas, several of which were presented to conclude the day.

According to Joseph Rezutko, design engineer at Southwire's Huntersville Plant, the Innovation Experience was a great way to network and understand the innovative projects that are happening throughout the organization. "My favorite part of the experience was the presentation by Eileen Bartholomew; she provided great food for thought on the way the business and the world at large is likely to change over the coming decades," said Rezutko. "It would be great for Southwire to host this event every few years in order to encourage our engineers and technical-minded personnel to meet, exchange ideas and learn about the technical initiatives that are taking place in other areas of the company."





# STORIES

## Southwire Invests in a Flexible Future

To carry out Southwire's five-year business strategy, the organization needs a workforce that is flexible, adaptable and accountable for expectations. In efforts to Build Organizational Capability around those strengths, the company will continue to find ways to work smarter and create a more inclusive environment, realizing that people have different preferences and ways of learning and working.

As the business grows, it is imperative that the way employees work evolve to reflect the changing workforce. While Southwire continues to cultivate a culture of empowerment and trust, the company opened a Commuter Hub in tandem with the Flexible Work Schedule policy in the Employee Handbook.

The facility currently has a two-to three-year lease and opened in May 2018. Located near SunTrust Park, at the 285/75 junction, the Hub offers space for approximately 12 employees and includes a large conference room and small interview room.

According to Kelley Park, senior vice president of talent management, offering this space is one of the ways employees can take advantage of the company's new policy.

"By opening this Hub, we are bringing the Flexible Work Schedule policy to life," said Park. "We know many employees struggle to find a work-life balance, so using employee feedback, we are looking to find ways to alleviate some of that stress."

The company also recently announced the extension of United States parental leave from three days to 10 days, taking effect in July 2018. According to Park, this Hub is another example of the evolution that will be vital to the company's growth.

"As with the expansion of parental leave, this is another way we can invest in our people," said Park. "This Hub is also a way expand our talent pool and attract new talent, while empowering our current employees with the freedom and responsibility that is vital to performance."



# STORIES

## Huntersville Recognized for Diversity and Inclusion

Southwire's Huntersville team was awarded the Corporate Diversity Champion award from the Lake Norman Chamber of Commerce for their commitment to creating a diverse and inclusive environment.

The ceremony took place on Thursday, Nov. 15 at the Annual Champions of Diversity Luncheon hosted at River Run Country Club in Davidson, Tenn. Each year, the Diversity Champion Award is presented to a corporation, small business, nonprofit and individual who show notable efforts in diversity and inclusion.

This is Southwire's first year winning this award. Jasmine Monet, human resources specialist, attributes this accomplishment to all of the talented Huntersville employees.

"We have been working towards this goal for about a year, and we continue to commit to valuing the variety of differences and innovative ideas of all our employees," said Monet. "While small in size, the Huntersville location is extremely diverse, and we work hard to make sure all individuals have a sense of belonging when they walk through our doors."

In Huntersville, diversity and inclusion is promoted through Employee Resource Groups (ERGs), Project GIFT events and safety team collaborations. According to Monet, Jim Perdue, senior director at Carrollton Utility Plant, who inspired the desire to improve diversity and inclusion was also a key to this accomplishment.



# STORIES

## What's Fuse Up To?

We are proud to share updates from our Employee Resource Groups (ERGs) and reflect on a year of ERG success.

**ALLIED.** Allied is continuing its commitment to education throughout the year. In May, the Employee Resource Group (ERG) hosted a workshop where Jenn Grace, professional consultant and Author of *Beyond the Rainbow*, presented to the Executive Leadership Team and ERG committee about the correct ways to engage the LGBTQ community and build credibility with the organization as a whole. The ERG will also be participating in the Atlanta Pride Parade in October. The team hopes to continue educating Southwire's workforce and spreading an inclusive message that encourages all employees to bring their whole selves to work.



**NEXTgen.** NEXTgen has hosted and participated in several events so far this year, including plant tours, mock interviews with 12 for Life students, a 5k event and Speed Mentoring. Later this year, the ERG will be hosting two more Speed Mentoring events where they are looking to leverage technology to allow Greater Southwire Area (GSA) employees the opportunity to network with leaders and other NEXTgen members. The ERG will also continue offering plant tours to eliminate silos and help employees learn about products and processes, and improve their understanding of the organization, and opportunities to interact and mentor 12 for Life students.

**OFFICIUM.** Officium hosted their launch event in March of this year where guest speaker retired Brigadier General Dana H. Born spoke about the relationship between personal and organizational development. The ERG will also be assisting with Southwire's float in Carrollton, Georgia's, 4th of July Parade and participating in Atlanta's Disabled American Veterans (DAV) 5k race in November. While the group's focus for 2018 is ensuring employees understand the ERG's mission and partnering with other veteran-centric organizations to give back, Officium will be working to identify champions at each GSA location as the year comes to a close.

**SPECTRUM.** Since the year began, Spectrum has organized new-hire lunches for minority employees, held a private screening of *Black Panther*, shortly after it released in the box office, and hosted FUSE Career Stories Events, featuring Futsum Woldesus, vice president of compound technology. Still to come in 2018, the ERG will be kicking off their Summer Enrichment Program in June, continuing the Broader Spectrum Book Club in August and starting their Expoship program in October. As the ERG grows, they are looking to expand their book club to all Southwire locations including international facilities such as London, Mexico and China.

**TEAM.** T.E.A.M began the year with a video introduction to diversity and inclusivity (D&I) throughout operations. The video, led by Nehrwr Abdul-Wahid, a professional consultant on D&I, featured a focus group and employee roundtable on D&I topics. The ERG has also identified facility champions at each location who are leading D&I efforts at their respective facility. As the year continues, T.E.A.M will be hosting several opportunities including Around the Water Cooler, a way for employees to learn more about each other and connect through fun activities like Cultural Bingo, and an educational mini series with Abdul-Wahid where different D&I terms are broken-down. The group will also be partnering with Spectrum's Broader Spectrum Book Club, Women's Network's Coffee Breaks and NEXTgen for the deployment of Leaders in Training (LIT).

**WOMEN'S network.** In its third year, Women's Network has had record attendance and engagement at every event in 2018. The team has organized several opportunities for employees to connect with leaders, network and share feedback. Still to come, the ERG will be hosting Coffee Breaks, product trainings, strategy training with the Corporate Strategy Team (CST) and a Year in Review meeting with 2017 new-hires. The group will also be partnering with T.E.A.M to bring Coffee Breaks into manufacturing facilities across the organization, allowing employees the opportunity to network and share feedback and ideas for development.



# GRI CONTENT INDEX

The disclosures for our 2018 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

**Reporting Practices**

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.

**Environmental Topics**

<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	

Energy			
GRI 103: Management Approach 2016	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
302-1		Energy consumption within the organization	Energy & Air Emissions
302-3		Energy intensity	Energy & Air Emissions
Water			
GRI 103: Management Approach 2016	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
303-1		Water withdrawal by source	Water & Wastewater
Emissions			
GRI 103: Management Approach 2016	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
1.2		Whether offsets were used	Offsets were not used to meet GHG emissions targets
305-1		Direct (Scope 1) GHG emissions	Energy & Air Emissions
305-2		Energy indirect (Scope 2) GHG emissions	Energy & Air Emissions
305-4		GHG emissions intensity	Energy & Air Emissions
305-7		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).
Effluents & Waste			
GRI 103: Management Approach 2016	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
306-1		Water discharge by quality and destination	Water & Wastewater
306-2		Waste by type and disposal method	Operational Waste
306-3		Significant spills	Water & Wastewater
Environmental Compliance			
GRI 103: Management Approach 2016	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

307-1	Non-compliance with environmental laws and regulations	Ethics, Anti-Corruption & Transparency	
<b>Supplier Environmental Assessment</b>			
GRI 103: Management Approach 2016	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	
308-2	Negative environmental impacts in the supply chain and actions taken	Sustainable Supply Chain & Procurement Practices	
<b>Social Topics</b>			
<b>Employment</b>			
GRI 103: Management Approach 2016	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	
401-1	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>			
GRI 103: Management Approach 2016	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	
403-2	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.
403-4	Health and safety topics covered in formal agreements with trade unions	Workplace Safety & Employee Well-Being	
<b>Training and Education</b>			
GRI 103: Management Approach 2016	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	
404-3	Percentage of employees receiving regular performance and career development reviews	Employee Engagement & Development	
<b>Diversity and Equal Opportunity</b>			
GRI 103: Management Approach 2016	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	
405-1	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>			
GRI 103: Management Approach 2016	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	
414-2	Negative social impacts in the supply chain and actions taken	Sustainable Supply Chain & Procurement Practices	
<b>Customer Health and Safety</b>			
GRI 103: Management Approach 2016	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	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Product Quality & Safety	

## 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>		
1. Businesses should support and respect the protection of internationally proclaimed human rights.	Southwire Highlights / Stories	> Southwire Becomes Signatory to United Nations Global Compact
	Sustainable Supply Chain & Procurement Practices	> Strategic Sourcing & Procurement > Supplier Sustainability Program > Human Rights Policies
2. Businesses should make sure that they are not complicit in human rights abuses.	Sustainable Supply Chain & Procurement Practices	> Strategic Sourcing & Procurement > Supplier Sustainability Program > Human Rights Policies
<b>Labour</b>		
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Materiality	> Material Topics
	Workplace Safety & Employee Well-Being	> Collaboration with Unions
4. Businesses should uphold the elimination of all forms of forced and compulsory labour.	Sustainable Supply Chain & Procurement Practices	> Supplier Sustainability Program > Human Rights Policies
5. Businesses should uphold the effective abolition of child labour.	Sustainable Supply Chain & Procurement Practices	> Supplier Sustainability Program > Human Rights Policies
6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Inclusion	> Policies & Commitments
<b>Environment</b>		
7. Businesses should support a precautionary approach to environmental challenges.	Growing Green	
	Energy & Air Emissions Water & Wastewater Operational Waste	> Policies
8. Businesses should undertake initiatives to promote greater environmental responsibility.	Sustainability Goals	> 2021 Growing Green Goals
	Energy & Air Emissions	> Energy Management > Strategic Sourcing & Logistics

UNGC PRINCIPLE	REPORT LINKS	SPECIFIC SECTIONS
	Materials	<ul style="list-style-type: none"> <li>&gt; Streamlining Products &amp; Packaging</li> <li>&gt; Minimizing Materials with Negative Health Impacts</li> <li>&gt; Reusing Materials at End of Life</li> </ul>
	Water & Wastewater	<ul style="list-style-type: none"> <li>&gt; Environmental Management Systems</li> </ul>
	Operational Waste	<ul style="list-style-type: none"> <li>&gt; Materials Minimization</li> </ul>
<p><b>9. Businesses should encourage the development and diffusion of environmentally friendly technologies.</b></p>	Sustainability Goals	<ul style="list-style-type: none"> <li>&gt; 2021 Building Worth Goals</li> </ul>
	Technology & Innovation	<ul style="list-style-type: none"> <li>&gt; Research &amp; Development</li> <li>&gt; Customer-Focused Innovation</li> </ul>
<b>Anti-Corruption</b>		
<p><b>10. Businesses should work against corruption in all its forms, including extortion and bribery.</b></p>	Sustainability Goals	<ul style="list-style-type: none"> <li>&gt; 2021 Doing Right Goals</li> </ul>
	Ethics, Anti-Corruption & Transparency	<ul style="list-style-type: none"> <li>&gt; 2021 Sustainability Goal &amp; Target</li> <li>&gt; Standards of Conduct</li> <li>&gt; Training</li> </ul>