



**STRONG.
SUSTAINABLE.
SOUTHWIRE.**



2019 GRI CONTENT INDEX

LEADERSHIP LETTER

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. In addition, 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 2019 Sustainability Report. As seen in past reports, this assessment covers sustainability at Southwire, highlights our most significant impacts and opportunities and details our sustainability goals and strategies.

The report covers many accounts of our successes and challenges over the last year, and as an overview, we are sharing a few highlights:



SAFETY

The safety and well-being of our employees has been, and always will be, our top priority. In 2019, we added new sites to those certified by OSHA VPP as STAR sites, and we continue to engage all employees in our safety culture, striving to reach a goal of zero workplace incidents. In turn, we saw our recordable incident rate reach the lowest level in company history. We are proud of the progress we've made, but our efforts don't stop. We will continue to set new goals and work toward our ultimate goal of zero workplace injuries.

STRATEGY

As we strive to become a premier, diversified industrial electrical company over the next decade, we continue to refine and implement our strategic plan, looking at increasing revenue but, even more so, growing profitability. Our focus remains on providing and creating solutions for our primary vertical markets, as well as building on our commitment to a ONE Southwire approach. We will continue to identify growth initiatives in our core Wire & Cable business while seeking opportunities to expand our adjacent businesses like Tools, Components & Assembled Solutions. Through all of these efforts, we will assess the transformational trends and influences that could impact our future.

SYSTEMS & OPERATIONAL EXCELLENCE

In order to Drive Operational Excellence across the company, Southwire continues refining systems and processes in support of ONE Southwire. Additionally, we continue advancing our multi-year commitment to modernization across the company.

INCLUSIVITY & EMPLOYEE ENGAGEMENT

At Southwire, we value diversity and believe the contributions of people of all backgrounds are critical to the success of the company as a multi-generational business. Reflecting on our strong commitment to our employees, we are incredibly proud that Forbes named Southwire one of America's Best Large Employers for the second year in a row. In 2019, Southwire offered diverse opportunities for employees to connect and

develop at many locations across our organizations. Nearly 500 employees attended various growth-focused development opportunities with both in-person and virtual options. In total, our six employee resource groups provided more than 1,800 hours of learning. Continuing to improve on the quality of our workplace, we offered three Living Well Employee Engagement Surveys in 2019 using a platform that allows our leaders to receive real-time data and insights on team results. We are proud to see the areas in which we are doing well, and are committed to making improvements where needed.

COMMUNITY

We remain inspired and encouraged by the generosity of our people and Project GIFT teams and are proud of our commitment to Giving Back in the places we work, live and serve. Please see our [webpage](#) for more information on community activities related to Giving Back.

UPDATE ON COVID-19 RESPONSE

Our work at Southwire is critical in the fight against COVID-19. We are an essential piece of the supply chain for many critical businesses and markets. The solutions we create are vital to critical infrastructure, and the energy provided by our products is necessary for the medical professionals who are working around the clock to staff hospitals and emergency facilities to combat this disease.

We have an appointed team of Southwire leaders from across our business that was activated in January 2020 to manage our COVID-19 response. This team continues to closely monitor and provide recommendations on our approach.

Initially, we focused on monitoring, but as the situation developed, we quickly moved into action mode, implementing enhanced sanitization, travel and visitor restrictions, coronavirus pre-screening measures, temperature screenings, contact tracing in the event of confirmed cases and other activities to ensure the safety of our employees and their families while continuing to best serve our customers. We also moved into remote work environments where applicable and continue to monitor and

modify our safety measures in light of changing national, state and local recommendations and regulations. Across all of our facilities, we are following guidance from the Centers for Disease Control and Prevention (CDC) including proper handwashing protocol, increased sanitization of frequently touched areas and social distancing.

Southwire remains financially strong. Our team continues to assess this fluid situation as health officials release new information and will adjust our response as needed. We are committed to do our part to help flatten the curve, reduce the risk of virus spread and help protect our employees, our communities and all of our stakeholders.

We have much to be proud of as we look at our accomplishments in 2019 and how we've navigated the challenges seen thus far in 2020. Through the continued pursuit of our sustainability goals, we are confident that Southwire will continue to meet, and even exceed, the goals that we have set for our future. We are incredibly proud to be associated with this great organization and are thankful for The People Behind the Power™ who work hard to ensure that we will 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

GENERAL DISCLOSURES



DISCLOSURE	DESCRIPTION	RESPONSE
ORGANIZATIONAL PROFILE		
102-1	Name of organization	Southwire Company, LLC
102-2	Activities, brands, products and services	<p>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.</p> <p>Southwire is organized into three business groups: Wire & Cable; Tools, Components & Assembled Solutions; and Metals, which allows us to manage the company’s metal position, serve the OEM rod market and sell our SCR® systems. With this 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 and service brands such as SIMpull Solutions®, Garvin®, TAPPAN™; and SCR®—is our promise to our customers.</p>
102-3	Location of headquarters	Carrollton, Georgia
102-4	Location of operations	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.
102-5	Ownership and legal form	Family-owned

DISCLOSURE	DESCRIPTION	RESPONSE
102-6	Markets served	<p>Our primary vertical markets include:</p> <ul style="list-style-type: none"> • Renewables; • Transmission; • Power Distribution; • Residential; • Hospitals and Healthcare; • Refining/Petrochem; • Commercial/Institutions; • Transportation; • Data Centers; and • Factory Automation. <p>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.</p>
102-7	Scale of organization	<p>As one of the leading manufacturers of wire and cable used in the transmission and distribution of electricity, Southwire helps provide 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, Components & Assembled Solutions business continues to grow.</p> <p>Headquartered in Carrollton, Georgia, we have nearly 7,500 full- and part-time employees working 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 \$5.7 billion in net sales in 2019, Southwire continues to energize the lives of people everywhere.</p> <p>To maintain the confidentiality afforded to a private company, Southwire chooses not to publicly report total capitalization.</p>

DISCLOSURE

DESCRIPTION

RESPONSE

102-8

Information on employees and other workers

EMPLOYEES BY GENDER AND REGION BREAKDOWN

2019 Employees		Employment Contract		Employment Type
		Permanent*†	Full-Time	Part-Time
Gender	Male	5,350	5,058	292
	Female	1,443	1,251	192
Region	United States	6,793		
	Honduras	268		
	Mexico	215		
	Canada	112	(Not required)	
	China	63		
	Netherlands	3		
	United Kingdom	4		
2019 Total		7,458	6,972	486

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

†In 2019, Southwire did not employ any temporary employees

As of December 31, 2019, we compiled human resource data 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 7,458 employees.

102-9

Supply Chain

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.

DISCLOSURE	DESCRIPTION	RESPONSE
102-10	Significant changes to the organization and its supply chain	<p>In January 2019, we restructured our business to better align with our five-year strategic plan. By unifying Wire & Cable, elevating Tools, Components & Assembled Solutions, placing a renewed emphasis on metals, focusing on R&D, emphasizing modernization, concentrating on business transformation and improving our CSCs and distribution, we will continue to be a leader in our industry and strategically position ourselves for the future.</p> <p>As part of restructuring, our leadership team also worked closely with HR to assess each team and identify overlap and redundancies. The new structure resulted in some staff reductions. While our reduction decisions were difficult, we treated those affected by restructuring with dignity and respect. As we execute on our five-year strategic plan, we will continue to strengthen our core by looking for opportunities in adjacent and transformational spaces.</p>
102-11	Precautionary principle or approach	<p>While Southwire does not formally address the precautionary principle, we assess environmental and safety risks related to our operations.</p>
102-12	External initiatives	<p>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 10,000 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 GRI Content Index with the UNGC in our UNGC Index, located at the end of this report. To learn more about our commitment to the Global Compact, click here.</p> <p>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.</p>

DISCLOSURE**DESCRIPTION****RESPONSE**

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.

We proudly participate in the following organizations:

- Aluminum Association
- American Copper Council
- American National Standards Institute (ANSI)
- ASTM International
- Canadian Standards Association
- Continental Automated Buildings Association (CABA)
- Copper Club
- Copper Development Association
- Council for Harmonization of Electrotechnical Standardization of the Nations of the Americas (CANENA)
- Electrical Manufacturers' Club
- Electrical Training Alliance (ETA) (previously called NJATC)
- Electro Federation Canada
- EMerge Alliance
- Independent Electrical Contractors (IEC)
- Institute of Electrical and Electronics Engineers (IEEE)
- IEEE Dielectrics and Electrical Insulation Society (IEEE/DEIS)
- IEEE Industry Applications Society (IEEE/IAS)
- IEEE Power and Energy Society (IEEE/PES)
- IEEE Standards Association (IEEE/SA)
- Industry Data Exchange Association, Inc. (IDEA)
- Insulated Cable Engineers Association (ICEA)
- Insulated Conductors Committee (ICC)
- International Association of Electrical Inspectors (IAEI)
- International Cablemakers Federation
- International Council on Large Electric Systems (CIGRE)
- National Association of Standardization Mexico (ANCE)
- National Electrical Contractors Association (NECA)
- National Electric Energy Testing Research and Applications Center (NEETRAC/Georgia Tech)
- National Electrical Manufacturers Association (NEMA)
- National Fire Protection Association (NFPA)
- North American Association of Utility Distributors (NAAUD)
- Northwest Public Power Association (NWPPA)
- Plastic Pipe Institute (PPI)
- Rocky Mountain Electrical League (RMEL)
- Society of Automotive Engineers (SAE) International
- Technical Subcommittee on Specialized Wiring Systems – C231(ICCM06)
- UL Standards Technical Panels (Various)
- Utility Power Cable Standards Technical Advisory Committee (UPCSTAC)
- Utility Purchasing Management Group (UPMG)
- Utility Supply Management Association (USMA)
- Wire Association International (WAI)
- Western Mining Electrical Association (WMEA)

102-13

Memberships of associations

DISCLOSURE	DESCRIPTION	RESPONSE
STRATEGY		
102-14	Statement from senior decision-maker	Southwire Company, LLC issued a Leadership Letter included above in connection with our 2019 Sustainability Report.
ETHICS AND INTEGRITY		
102-16	Values, principles, standards and norms of behavior	<p>We demonstrate our commitment to ethical business practices by publishing and providing all employees with an uncompromising ethics statement. Our chief executive officer (CEO) introduces Southwire’s code of ethics through a video during new hire orientation. As part of our Ethics and Compliance Program rollout plan in 2020, we published our revised Code of Business Conduct that outlines Southwire’s mission, business philosophy, values and standards.</p> <p>See our webpage for more information on Ethics, Anti-Corruption & Transparency.</p>
102-17	Mechanisms for advice and concerns about ethics	<p>Employees and stakeholders may report any ethics concerns or ask questions in-person, by phone or by email to a local supervisor or manager, human resources representatives or Southwire’s Ethics and Compliance Office. Additionally, individuals can make reports or ask questions using the company’s Doing Right Helpline, which is run by an independent third-party and is available 24/7, 365 days a year. Employees and stakeholders may make reports to the Doing Right Helpline anonymously if desired and they are able to make reports on a web portal (doingrightconnection.com), by phone or by text. Southwire thoroughly investigates all indications of ethics violations. In 2019, we implemented a case management system for investigations, which allows us to track reports received through all of these channels and maintain analytics on the nature of these reports to improve investigatory resources and inform remediation and training protocols. For a company of our size, historically we have had few significant incidents or litigation.</p> <p>See our webpage for more information on Ethics, Anti-Corruption & Transparency.</p>

DISCLOSURE

DESCRIPTION

RESPONSE

GOVERNANCE

102-18

Governance structure

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. Our management committees report directly to our independent board members and oversee sustainability, risk, governance, and ethics and compliance. Southwire’s governance structure promotes ethical and accountable decision-making that holistically considers the effects of Southwire’s business on all stakeholders.

Below we outline Southwire’s Board and Executive committees that drive sustainability throughout our operations and beyond.

BOARD COMMITTEES

Human Resources Committee (Independent)

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 reflect diversity and inclusion and 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.

Sustainability Committee (Independent)

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](#).

DISCLOSURE**DESCRIPTION****RESPONSE**

102-18

Governance structure

Audit Committee (Independent)

The 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, and reviews ethics and compliance investigations. 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](#).

Governance Committee (Independent)

The purpose of the Governance Committee is to review and make recommendations to the board on matters concerning corporate governance; board composition; identification, evaluation and nomination of director candidates; and composition of board committees. The committee also assists in its review of board performance and identifies and reports any conflicts of interest to the board. Our [Governance Committee Charter](#) is available for further review.

Executive Committee

The Executive Committee is a standing committee that often acts as a steering committee for the full board when the full board is not able to convene, such as between regularly scheduled meetings. Functioning as a steering committee, the Executive Committee prioritizes issues for the full board to address. The Executive Committee’s responsibilities include, but are not limited to, providing organizational direction and acting on behalf of the board; providing organizational oversight; managing high-level workplace issues of a serious nature; facilitating board communication and development. The committee is comprised of the chairman of the board, the lead director and the president and chief executive officer.

MANAGEMENT COMMITTEES**Risk Oversight Committee**

Our Risk Oversight Committee, with three executive sponsors, brings together 10-15 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 and product liability, including third-party loss.

DISCLOSURE

DESCRIPTION

RESPONSE

Ethics and Compliance Steering Committee

In 2018, Southwire’s Board of Directors adopted an [Ethics and Compliance Steering Committee Charter](#) to advance the company’s goals related to ethics and compliance. Our goals include fostering and maintaining the highest ethical standards, demonstrating that we comply 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 reports to the Independent Sustainability Committee, at least annually, with respect to its activities.

For more information on Southwire’s governance structure, see our [webpage](#).

COMMUNICATING WITH THE BOARD

Southwire’s working teams are generally issue-specific and established as needed. The 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.

AUDITS

External audits help to 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.

102-18

Governance structure

STAKEHOLDER ENGAGEMENT

102-40

List of stakeholder groups

Southwire regularly engages with the following stakeholder groups: customers, suppliers, shareholders and board members, regulators, industry associations, non-governmental organizations, community members and employees.

102-41

Collective bargaining agreements

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% of our full-time employees in 2019, which includes those employees located at our Waukegan, Illinois, manufacturing operations.

DISCLOSURE

DESCRIPTION

RESPONSE

102-42

Identifying and selecting stakeholders

We identify stakeholders through interviews with executive leadership, 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.

INTERNAL STAKEHOLDERS

Stakeholder engagement—a business imperative for Southwire—occurs in many ways. We invest in numerous mechanisms to engage our employees.

Approach	Frequency	Topics & Concerns Raised
Employee Engagement Survey	Bi-Annually	<ul style="list-style-type: none"> Employee Engagement & Development Ethics, Anti-Corruption & Transparency Financial Performance Inclusion Workplace Safety & Employee Well-Being
Roundtable Discussions	Monthly	<ul style="list-style-type: none"> Financial Performance Operations Topics Product Quality & Safety Inclusion
Town Hall Meetings	Quarterly	<ul style="list-style-type: none"> Financial Performance Business Plans Market Conditions Product Quality & Safety Inclusion Expansion/Reduction of Operations
Operational Perfection at Southwire (OPS)	Ongoing	<ul style="list-style-type: none"> Operations Topics Product Quality & Safety
Ethics Hotline	24 hours a day, seven days a week	<ul style="list-style-type: none"> Ethics, Anti-Corruption & Transparency Legal and Policy Compliance EHS Product Quality & Safety
Just Ask	24 hours a day, seven days a week	<ul style="list-style-type: none"> Ethics, Anti-Corruption & Transparency EHS Employee Engagement & Development

102-43

Approach to stakeholder engagement

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.

102-43

Approach to stakeholder engagements

Stakeholder Group	Approach & Frequency	Topics & Concerns Raised
Customers	Ongoing: <ul style="list-style-type: none"> Voice of the Customer survey Satisfaction surveys User forums Trade shows Scorecard reviews Site visits Customer Support Center hotline Every 3 years: <ul style="list-style-type: none"> Materiality assessment interviews and surveys 	<ul style="list-style-type: none"> Product Quality & Safety Ethics, Anti-Corruption & Transparency Technology & Innovation Materials Energy & Air Emissions
Suppliers	Ongoing: <ul style="list-style-type: none"> Sustainability surveys On-site audits Meetings Materiality assessment interviews Every 3 years: <ul style="list-style-type: none"> Materiality assessment interviews and surveys 	<ul style="list-style-type: none"> Workplace Safety & Employee Well-Being Financial Performance Ethics, Anti-Corruption & Transparency Sustainable Supply Chain & Procurement Practices Water & Wastewater Technology & Innovation
Shareholders & Board Members	Quarterly and as needed: <ul style="list-style-type: none"> Board meetings Every 3 years: <ul style="list-style-type: none"> Materiality assessment interviews and surveys 	<ul style="list-style-type: none"> Water & Wastewater Energy & Air Emissions Workplace Safety & Employee Well-Being Product Quality & Safety Financial Performance Ethics, Anti-Corruption & Transparency Employee Engagement & Development
Regulators	Ongoing: <ul style="list-style-type: none"> Pre-application meetings Progress updates Voluntary program audits Compliance inspections and inquiries 	<ul style="list-style-type: none"> Workplace Safety & Employee Well-Being Water & Wastewater Energy & Air Emissions Operational Waste

DISCLOSURE

DESCRIPTION

RESPONSE

Stakeholder Group	Approach & Frequency	Topics & Concerns Raised
Industry Organizations	Ongoing: <ul style="list-style-type: none"> Product feedback requests Apprentice training Memberships and participation (see 102-13: Membership of associations, above) 	<ul style="list-style-type: none"> Indirect Economic Impacts Energy & Air Emissions Product Quality & Safety Technology & Innovation Workplace Safety & Employee Well-Being
Community Members (Carrollton, Georgia area)	Annual: <ul style="list-style-type: none"> Update meeting 	<ul style="list-style-type: none"> Financial Performance Community Engagement Future Plans
Community Members	Every 3 years: <ul style="list-style-type: none"> Materiality assessment interviews 	<ul style="list-style-type: none"> Water & Wastewater Giving Back Energy & Air Emissions Operational Waste

102-43 Approach to stakeholder engagements

See internal and external stakeholder table in 102-43 above.

102-44 Key topics and concerns raised

REPORTING PRACTICES

102-45 Entities included in the consolidated financial statements

As a private company, Southwire does not publicly disclose our financial statements, nor the entities within our operational control.

MATERIALITY ASSESSMENT

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.

102-46 Defining report content and topic boundaries

- 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 its industry.

DISCLOSURE	DESCRIPTION	RESPONSE
102-46	Defining report content and topic boundaries	<p>3. Validation. Southwire’s executive leadership team reviewed the materiality assessment findings. After discussion of the process and results, the group confirmed the material topics.</p> <p>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).</p> <p>This GRI report communicates our management approach and progress on the 12 “material” topics listed below. In keeping with our commitment to transparency, we also report on Operational Waste, which decreased to Tier 2 in our recent materiality assessment.</p>
102-47	List of material topics	<ul style="list-style-type: none"> • Energy & Air Emissions • Materials • Water & Wastewater • Employee Engagement & Development • Inclusion • Talent Attraction • Workplace Safety & Employee Well-Being • Ethics, Anti-Corruption & Transparency • Sustainable Supply Chain & Procurement Practices • Financial Performance • Product Quality & Safety • Technology & Innovation
102-48	Restatements of information	The 2017 and 2018 measurements for water in 303-3 were restated to reflect water withdrawal at all sites. Previously, Southwire reported water withdrawal for only baseline sites. We restated Total Recordable Incident Rate (TRIR) data for 2017 and 2018 due to reasons including reclassification of claims or cases, adjustment of hours or reconciliation of records.
102-49	Changes in reporting	Southwire no longer discloses 305-7 nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions.
102-50	Reporting period	This current sustainability report covers calendar year 2019 for all information provided.
102-51	Date of most recent report	We published our most recent report, covering calendar year 2018, on June 6, 2019.
102-52	Reporting cycle	As a private company, Southwire proudly shares our sustainability journey and progress in annual sustainability reports.
102-53	Contact point for questions regarding the report	If you have any questions or comments about this report, please contact Burt Fealing, EVP, General Counsel and Corporate Secretary at sustainability@southwire.com .
102-54	Claims of reporting in accordance with the GRI Standards	This report is prepared in accordance with the GRI Standards: Core option.
102-55	GRI content index	This report serves as Southwire’s GRI Content Index.
102-56	External assurance	While a third-party verified our 2016 and 2017 water, waste, energy and emissions data, Southwire did not have our 2018 or 2019 data third-party verified.

TOPIC SPECIFIC DISCLOSURES



STANDARD

DISCLOSURE

RESPONSE & OMISSION

ECONOMIC TOPICS

ECONOMIC PERFORMANCE

Our material topic, Financial Performance, aligns with GRI 201 Economic Performance.

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.

BOUNDARY

- Southwire – All locations
- External – Shareholders; suppliers; creditors; communities where Southwire operates

Strong financial performance is a prerequisite to obtaining and maintaining lines of credit from 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

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 EVP, chief financial officer (CFO). The finance group adheres to deadlines and closes our books in a timely manner for monthly reporting. Our executive leadership team and senior leaders of our business groups meet monthly to review our financial reports. This process includes a review of variances to plan, action steps to get back on plan when needed and a full-year forecast discussion.

103-1

Explanation of the material topic and its Boundary

GRI 103: MANAGEMENT APPROACH 2016

103-2

The management approach and its components

STANDARD

DISCLOSURE

RESPONSE & OMISSION

GRI 103: MANAGEMENT APPROACH 2016

103-2

The management approach and its components

TRANSPARENCY

Southwire communicates our financial performance with other stakeholders in a variety of ways. Quarterly, we send our shareholders a letter with financial performance highlights, and we provide them with detailed financial results annually. We hold calls with our lenders to communicate quarterly and/or annual reporting. Finally, we provide our suppliers—whom our financial health directly affects—with financial metrics showing that Southwire continues to be profitable.

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—from both an income statement and a balance sheet perspective.

103-3

Evaluation of the management approach

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.

GRI 201: ECONOMIC PERFORMANCE 2016

201-1

Direct economic value generated and distributed

Southwire is a privately held company that is not subject to Securities and Exchange Commission (SEC) financial statements filing and disclosure requirements. Financial information relating to the credit worthiness of the company is available through publicly available reports published by independent, nationally recognized ratings agencies. Upon request, additional information may be provided on a confidential basis.

The ultimate litmus test of financial performance is the preparation of U.S. GAAP-compliant annual audited financial statements. During this process, Southwire engages an international third-party auditor to review our annual financial records and performance.

A consortium of banks and other types of asset managers invest in Southwire through debt instruments. To provide a level of confidence for these investors, we share our financial statements and a business strategy overview with the rating agencies Moody’s and Standard & Poor’s. These agencies analyze our business prospects and provide investors with an objective third-party analysis of Southwire’s credit worthiness.

OMISSION

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.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

ENVIRONMENTAL TOPICS

MATERIALS

103-1

Explanation of the material topic and its Boundary

As a materials-intensive business, Southwire has a significant environmental footprint. Southwire must work to minimize the raw materials used to limit exposure to shortages due to finite supply of natural resources and/or increasing prices of core inputs.

BOUNDARY:

- Southwire – Corporate (product design); manufacturing operations; customer service centers
- External – Suppliers (metals, compounds, chemicals/additives, packaging, manufactured products); customers (all); end users (contractors, DIYers, consumers)

Southwire strives to continuously improve the value of our products. We design our products to be safer, simpler and faster to install and use, which reduces waste and increases efficiency on our customers’ job sites.

Product responsibility drives much of Southwire’s innovation, and many of the innovations that we brought to market in 2019 align with our objectives to:

- Employ recycled materials and minimize content, in products and packaging;
- Minimize or eliminate the use of materials with negative environmental and health impacts; and
- Reuse materials at the end of a product’s useful life.

GRI 103: MANAGEMENT APPROACH 2016

103-2

The management approach and its components

RESPONSIBILITIES

Our executive leaders of research and development (R&D), sustainability and environmental ensure that product responsibility continually progresses and they update our CEO every quarter on the status of our current goals. Environmental and sustainability responsibility now resides with our EVP, general counsel and corporate secretary.

POLICIES

Southwire has policies covering materials management, including purchasing guidelines to limit the use of products that have environmental regulatory concerns. Our 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. We encourage staff to find safer alternatives when proposed materials have constituents or properties of concern to employee health or the environment.

STREAMLINING PRODUCTS AND PACKAGING

Southwire aims to minimize the amount of packaging our products require. Our SIMpull Solutions® services and products require zero spools and no added lubricant, eliminating waste at the job site. We continue to look at our tools, lighting and other product categories for packaging reduction opportunities.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

GRI 103: MANAGEMENT APPROACH 2016

103-2
The management approach and its components

MINIMIZING MATERIALS WITH NEGATIVE HEALTH IMPACTS

Our customers actively focus on their products' chemical content and increasingly expect Southwire to minimize harmful chemicals used in our products. To maximize our potential customer base, reduce inventory and be true environmental stewards, we work with our suppliers to eliminate chemicals of concern identified by the European Union's REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) regulation, RoHS (Restriction of Hazardous Substances) directive and other federal and state/provincial requirements.

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

REUSING MATERIALS AT END OF LIFE

Southwire's Tools, Components & Assembled Solutions (TCAS) group participates in Extended Producer Responsibility (EPR) programs across North America. These programs identify environmental costs and impacts that arise throughout a product's lifecycle. With these programs, our TCAS team developed products and packaging that are more compatibly designed for collection and recycling. We continue to seek and implement solutions that support a circular economy.

To expand upon our EPR program experience, our internal compliance program starts with the Waste Electrical and Electronic Equipment Directive (WEEE), a European end-of-life regulation. Select Southwire locations collaborated 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 TCAS operations.

103-3
Evaluation of the management approach

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.

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 products. Through this program, customers can return the reel for credit, creating an opportunity for shared financial and environmental benefits between Southwire and our customers.

GRI 301: MATERIALS 2016

301-3
Reclaimed products and their packaging materials

RECYCLABLE WOODEN & STEEL REELS RETURNED*

	2015	2016	2017	2018	2019
	40,481	38,833	39,322	39,753	45,677

*Includes units recycled through our reel supply partner

STANDARD

DISCLOSURE

RESPONSE & OMISSION

GRI 301: MATERIALS 2016

301-3
Reclaimed products and their packaging materials

RECYCLABLE REELS RETURNED (PERCENTAGE OF TOTAL WOODEN & STEEL REELS SHIPPED)*

2015	2016	2017	2018	2019
16%	10%	10%	10%	10%

*Includes shipments of both new and recycled reels

OMISSION

Information unavailable for 301-3: Southwire does not track the breakdown of our reclaimed products by category.

ENERGY

103-1
Explanation of the material topic and its Boundary

Our material topic, Energy & Air Emissions, aligns with GRI 302: Energy and 305: Emissions.

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 United Copper Industries (UCI), Sumner Manufacturing Company, DCN Cables, ProBuilt Professional Lighting and Garvin Industries acquisitions. As expected, Southwire’s most significant contributors to energy consumption and air emissions are our larger, more complex manufacturing plants.

BOUNDARY

- Southwire – Manufacturing operations; customer service centers; sales offices; corporate offices
- External – Suppliers (metals, compounds, chemicals/additives, energy); customers (utilities)

GRI 103: MANAGEMENT APPROACH 2016

103-2
The management approach and its components

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.

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.

RESPONSIBILITIES

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 divisional leadership, who in turn report to our EVP of operations. Our EVP, general counsel and corporate secretary has responsibility for environmental compliance and sustainability across Southwire.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

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.

103-2

The management approach and its components

ENERGY MANAGEMENT

Southwire completed external energy audits at our top 13 energy-consuming facilities in 2017 and 2018. 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 will utilize the most energy-efficient technology when practical and replace older, less-efficient equipment.

In conjunction with the Solarize Carrollton-Carroll crowdsourcing program and in alignment with the company’s commitment to sustainability, Southwire collaborated with Creative Solar USA and Solar CrowdSource to install a solar panel array at our Thorn Customer Solutions Center. The 124.1-kilowatt DC, roof-mounted, solar panel array offsets approximately 25% of the site’s annual electricity consumption. Additionally, Southwire signed an agreement with Creative Solar to install a second solar application and additional electric vehicle charging capacity at our corporate headquarters that should come online in mid-2020.

GRI 103: MANAGEMENT APPROACH 2016

2021 SUSTAINABILITY GOALS & TARGETS

By setting a GHG target, Southwire demonstrates a visible and meaningful commitment to address climate change.

Reduce energy and GHG emissions intensity by 15% through conservation and the use of renewable energy by 2021.

103-3

Evaluation of the management approach

EMISSIONS TARGET PROGRESS

	2016 Baseline*	2017*	2018	2019	Improvement from baseline
Energy Intensity (kWh/ton)	1,100	1,038	1,061	1,061	3.5%
GHG Emission Intensity (metric tons of CO2e/ton)	0.39	0.38	0.38	0.38	1.7%

*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.

At Southwire, we monitor energy consumption and efficiency. Our facilities track electricity (for Scope 2 emissions) and propane and natural gas consumption (for Scope 1 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 (diesel) usage in 2016, 2017, 2018 and 2019; however, we determined this fuel usage and associated greenhouse gas emissions to be insignificant compared to our other energy sources. Therefore, fuel oil consumption and the corresponding greenhouse gas emissions are not included in this report.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

GRI 103: MANAGEMENT APPROACH 2016

103-3
Evaluation of the management approach

2025 CARBON REDUCTION GOAL

In July 2020, Southwire announced a goal to achieve 100% zero carbon energy for its operations (2018 baseline) by 2025. This objective—coined Carbon Zero—will address our Scope 1 and 2 greenhouse gas emissions. Southwire will achieve this goal through eco-efficiency projects to reduce energy consumption and the use of green energy, including the use of owned or leased renewable energy sources, the purchase of green power, and the purchase of renewable energy credits and carbon offsets from the market. Southwire has not publicly announced a Scope 3 goal under our Carbon Zero initiative. However, we have set internal targets to reduce Scope 3 emissions, and we are actively engaged and building partnerships with suppliers, customers and other stakeholders to reduce our carbon footprint.

GRI 302: ENERGY 2016

302-1
Energy Consumption within the organization

	2016	2017	2018	2019
Total energy consumption (GJ)	4,096,842	3,817,848	3,907,307	3,755,999
Total electricity consumption* (GJ)	1,886,525	1,880,091	1,900,864	1,820,409
Total energy consumption from renewable sources (GJ)	491	442	437	461
Total fuel consumption from nonrenewable sources (GJ)	2,209,826	1,937,315	2,006,006	1,935,129

*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

	2016*	2017*	2018	2019	2021 Target
Energy Intensity (kWh/ton)*	1,100	1,038	1,061	1,061	935

*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.

WATER & EFFLUENTS

GRI 103: MANAGEMENT APPROACH 2018

103-1
Explanation of the material topic and its Boundary

Our material topic, Water & Wastewater, aligns with GRI 303 Water & Effluents.

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 Southwire primarily uses water for contact and non-contact cooling. Given some Southwire locations’ proximity to waterways, storm runoff and wastewater discharges could affect nearby communities. Compliance with regulatory water quality requirements helps Southwire avoid serious financial and reputational consequences.

BOUNDARY

- Southwire – Manufacturing operations
- External – Suppliers (metals, compounds, chemicals/additives)

STANDARD

DISCLOSURE

RESPONSE & OMISSION

GRI 103: MANAGEMENT APPROACH 2018

103-2

The management approach and its components

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.

RESPONSIBILITIES

While each Southwire site locally manages water use and wastewater discharge, ultimate accountability for our environmental performance rests with our EVP of operations. Our EVP, general counsel and corporate secretary manages environmental and sustainability for our entire organization. Incentive compensation for vice presidents and above is tied to achieving certain performance metrics.

POLICIES

Our [EHS Policy and Principles](#) guide Southwire’s responsible use of natural resources.

ENVIRONMENTAL MANAGEMENT SYSTEMS

Southwire operates four facilities with third-party verified environmental management systems—Huntersville (North Carolina) Plant, Hawesville (Kentucky) Plant and Carrollton (Georgia) Utility Products Plant achieved ISO 14001 certification and our Tecate Plant is certified under Mexico’s Clean Industry Program. We also implemented or are currently developing ISO-like environmental management systems (EMS) at our other key manufacturing operations. As part of the EMS process, each site conducts an “aspects and impacts” analysis to identify critical activities at the site and determine 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.

103-3

Evaluation of the management approach

2021 SUSTAINABILITY GOALS & TARGETS

Southwire set a target to further reduce water intensity by 10% over our 2016 baseline by 2021. As indicated in the table, our performance improved by approximately 4.6% since 2016. Our performance in 2019 slipped compared to 2018 primarily due to product mix and make-versus-buy decisions. In 2020, Southwire is refocusing efforts and identifying projects at key locations to reach our 2021 target.

	2016 Baseline*	2017*	2018	2019	2021 Target
Water Reduction Goal (gallons/ton)	225	227	209	215	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.

Southwire evaluates our management approach with regular internal and third-party EHS audits to verify our compliance with regulatory requirements and our own internal policies; we remedy any non-conformances as expeditiously as possible. To further evaluate our performance, we engaged a third-party to verify our 2016 and 2017 operational eco-efficiency data.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

GRI 303: WATER AND EFFLUENTS 2018

303-1
Interactions with water as a shared resource

Southwire uses municipal water, groundwater and captured rainwater as sources for our process water make-up systems. We generally use this water for contact and non-contact cooling and steam generating processes. Most locations discharge any process wastewaters to the local sewer authority in accordance with local sewer ordinances and permit, if required. For two sites where adequate capacity is not available at the municipal sewer authority, Southwire discharges to local waterways under the authority of National Pollutant Discharge Elimination System (NPDES) direct discharge permits. NPDES permits require Southwire to meet stringent discharge requirements, and all permits and permit applications are subject to agency and public review.

Southwire identifies potential water-related impacts using monitoring techniques such as visual inspection, electronic alerts and sampling and analysis. The monitoring timeframe depends on the water resource in question and can be continuous, daily, monthly, quarterly, annual, or as dictated by our permit requirements and pollution prevention plans. When warranted, Southwire implements corrective actions such as enhanced best management practices, engineering controls and administrative procedures to address any negative impacts that have been identified. Southwire engages with regulatory agencies, municipal authorities, community members and other stakeholders as appropriate. In general, our water use does not impact our customers and suppliers.

Generally, Southwire establishes sustainability goals based on our materiality assessments, benchmarking of industry and aspirational peers and company environmental stewardship initiatives. Management reviews the company’s environmental performance goals at least annually in conjunction with our board Sustainability Committee. As needed, we adjust these goals. See 103-3 Water & Effluents for our water reduction goal.

303-2
Management of water discharge related impacts

Locations having industrial activities exposed to stormwater contact, discharging wastewater to the sewer above certain thresholds, and/or are subject 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. In cases where our facilities are not required to obtain a sewer permit, our discharges must still be in accordance with local sewer ordinance requirements.

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

303-3
Water withdrawal

TOTAL WATER WITHDRAWAL (ML)*, †

Year	2016	2017*	2018	2019
Total Water Withdrawal (ML)	885	956	895	898
Well Water/Groundwater (ML)	182	176	141	134
Rainwater (ML)	180	180	149	174
Municipal (ML)	523	600	606	589

*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, therefore data is not consistent year over year.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

Southwire considers our operations in Tecate, Mexico; San Pedro Sula, Honduras; Rancho Cucamonga, California; Fontana, California; and El Paso, Texas to be in potentially water stressed regions.

TOTAL WATER WITHDRAWAL FROM WATER STRESSED AREAS, BY SOURCE (ML)

Year	2016	2017*	2018	2019	
303-3 Water withdrawal	Total Water Withdrawal (ML)	58	57	56	62
	Well Water/Groundwater (ML)	0	0	0	0
	Rainwater (ML)	0	0	0	0
	Municipal (ML)	58	57	56	62

OMISSION

Information unavailable for 303-3: Southwire does not track the breakdown of our total water withdrawal by category (freshwater and other water).

GRI 303: WATER AND EFFLUENTS 2018

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

Southwire Site	Copper Rod Mill	Kentucky Plant
Destination	Buffalo Creek	Ohio River
2019 total volume of planned water discharges (ML)	153	65
2019 total volume of unplanned water discharges (ML)	0	0
Treatment method	Chemical and physical treatment	Chemical and physical treatment
Quality of water	All discharge water quality met permit requirements	All discharge water quality met permit requirements
Water reused by another organization	None	None

303-4
Water discharge

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.

EMISSIONS

GRI 103: MANAGEMENT APPROACH 2016

103-1
Explanation of the material topic and its Boundary

See our material topic, Energy & Air Emissions, above for our management approach to Emissions.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

GRI 103: MANAGEMENT APPROACH 2016

103-2

The management approach and its components

STRATEGIC SOURCING & LOGISTICS

In addition to emissions management covered under Energy above, 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 rail and 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.

In 2019, we worked with a third-party environmental consultancy to quantify our 2018 Scope 3 (indirect) emissions. At this time, Southwire has not set a specific Scope 3 reduction goal, but we are exploring potential opportunities to reduce our Scope 3 emissions.

	2015	2016	2017	2018	2019	2020 Target
Freight Spend with Smart Way Carriers	73%	80%	81%	84%	86%	86%

103-3

Evaluation of the management approach

See our material topic, Energy & Air Emissions, above for our management approach to Emissions.

1.2

Whether offsets were used

Offsets were not used to meet greenhouse gas (GHG) emissions targets.

GHG emissions include all manufacturing plants, service centers and offices with 25 employees or more. Emissions from sites with fewer employees are considered immaterial.

GRI 305: EMISSIONS 2016

305-1

Direct (Scope 1) GHG emissions

	2016	2017	2018	2019
Gross Direct (Scope 1) GHG Emissions (metric tons of CO2e)*	125,053	109,271	102,293	107,411

*Southwire uses a subscription software solution to consolidate GHGs (CO2, CH4, N2O, HFCs, PFCs, SF6 and NF3) into CO2e. 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

	2016	2017	2018	2019
Energy Indirect (Scope 2) GHG Emissions (metric tons of CO2e)†	291,968	290,022	291,007	295,226

†Our subscription software consolidates GHGs (CO2, CH4, N2O, HFCs, PFCs, SF6 and NF3) into CO2e. 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.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

		2016	2017	2018	2019	2021 Target
GRI 305: EMISSIONS 2016	305-4 GHG emissions intensity	GHG Emissions Intensity (Scope 1 & Scope 2) (metric tons of CO2e/ton)* 0.39	0.38	0.38	0.38	0.33

*Includes CO2, CH4, N2O, HFCs, PFCs, SF6 and NF3.

EFFLUENTS & WASTE

Our material topic, Operational Waste, aligns with GRI 306: Effluents and Waste.

Waste minimization is a focus area for Southwire’s customers—in particular, our Original Equipment Manufacturer (OEM) and utility customers expect the company to continue to aggressively reduce operational waste. For more than a decade, Southwire focused on meeting a zero-landfill goal, which we achieved in 2017. As part of our Scope 3 emissions impact evaluation, Southwire re-evaluated our Zero-Landfill Policy to confirm we are utilizing the waste management method that is least impactful to the environment. Based on a life-cycle analysis model developed in conjunction with a third-party sustainability solutions provider, Southwire determined that landfilling some waste streams was less impactful to the environment (on a greenhouse gas basis) than landfill alternatives, such as waste-to-energy. Therefore, instead of a strict zero-landfill directive, we matured our thinking. Beginning in mid-2019, Southwire evaluates each waste stream on a case-by-case basis to determine the most environmentally responsible method of management.

103-1

Explanation of the material topic and its Boundary

BOUNDARY

- Southwire – All locations

GRI 103: MANAGEMENT APPROACH 2016

Diverting hazardous and non-hazardous waste from landfills is a foundational element of Southwire’s environmental stewardship commitment, driving us toward more efficient and responsible production and minimizing the impact on 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.

103-2

The management approach and its components

POLICIES

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

RESPONSIBILITIES

Our sites and division leaders are responsible for developing new strategies to minimize operational waste, while our environmental team evaluates waste management alternatives and manages all data related to our waste streams. Sites use teams, such as a Growing Green team, a Waste Reduction team, Environmental team or Lean team to actively look for opportunities to reduce waste at their facilities.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

103-2

The management approach and its components

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. Our waste management arrangement helps us operate more efficiently by allowing each facility to evaluate waste outlet options and manage the cost of waste through 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.

GRI 103: MANAGEMENT APPROACH 2016

103-3

Evaluation of the management approach

2021 SUSTAINABILITY TARGETS & GOALS

In 2007, Southwire set a goal to achieve zero-landfill status for normal operations by 2017. Southwire achieved that goal for baseline locations and worked to attain zero-landfill at new facilities acquired since 2016. Having achieved zero-landfill, Southwire re-evaluated our Zero-Landfill Policy to confirm we are utilizing the management method that is least impactful to the environment. Based on a life-cycle analysis model developed in conjunction with a third-party sustainability solutions consultant, Southwire determined that landfilling some waste streams was less impactful to the environment (on a greenhouse gas basis) than the landfill alternative. Therefore, instead of a strict zero-landfill directive, Southwire evaluates each waste stream on a case-by-case basis to determine the most environmentally responsible method of management.

Metric	2016 Baseline	2017	2018	2019	2021 Target*
Percent of Southwire communities with e-recycling programs	4%	4%	13%	39%	100%

*Does not include sites acquired in 2017 (DCN) and 2018 (Garvin).

GRI 306: EFFLUENTS AND WASTE 2016

306-2

Waste by type and disposal method

WASTE BY TYPE AND DISPOSAL METHOD (TONS)

Year	2016	2017	2018	2019
Other – Miscellaneous waste streams	595	175	0	309
Other – Treatment	9,842	10,104	8,979	6,454
Incineration (mass burn)	24	77	53	77
Recovery (including energy recovery)	14,252	13,838	10,114	7,958
Landfill	1,841	1,011	353	3,859
Recycling	22,849	21,908	20,907	19,490
Total	49,403	47,113	40,406	38,147

STANDARD

DISCLOSURE

RESPONSE & OMISSION

GRI 306: EFFLUENTS AND WASTE 2016

306-2
Waste by type and disposal method

Waste Type	Hazardous	Non-Hazardous
Reuse	Unavailable*	Unavailable*
Recycling	0	19,490
Composting	0	0
Recovery (including energy recovery)	42	7,917
Incineration	77	0
Deep well injection	0	0
Landfill†	17	3,842
On-site storage	0	0
Other—Treatment	62	6,392
Other—Miscellaneous waste streams	10	298
Total	208	37,939

*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.

306-3
Significant spills

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

ENVIRONMENTAL COMPLIANCE

GRI 103: MANAGEMENT APPROACH 2016

103-1
Explanation of the material topic and its Boundary

Environmental compliance is not a material topic.

103-2
The management approach and its components

Environmental compliance is not a material topic.

103-3
Evaluation of the management approach

Environmental compliance is not a material topic.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

GRI 307: ENVIRONMENTAL COMPLIANCE 2016

307-1
Non-compliance with environmental laws and regulations

2019 REGULATORY ACTIONS

Date	Location	Incident	Actions Taken	Monetary Value
January 25	Douglas Plant	The Georgia Environmental Protection Division (EPD) issued the Douglas Plant a Notice of Violation (NOV) following a facility inspection on December 5, 2018. The EPD issued the NOV for various deficiencies related to waste storage, labeling and container management.	The Douglas Plant implemented corrective measures to address these issues and provided a written response to EPD as required.	No monetary penalty
August 19	Starkville Plant	The Mississippi Department of Environmental Quality (MDEQ) issued a Notice of Violation to the Starkville Plant for failure to test their diesel engine and generator set within the required 3-year timeframe. Southwire was prepared to conduct the test, but an engine malfunction and associated plant power failure on the day of the test prevented the test within the required timeframe.	Southwire notified MDEQ of the issue when it occurred and tested the engine shortly after repair. Southwire provided MDEQ an explanation for the failure to test and requested that the NOV be rescinded. MDEQ did not rescind the NOV. However, MDEQ issued a No Further Action determination.	No monetary penalty
August 23 & September 17	Douglas Plant	The City of Douglas issued Southwire two Notices of Violation (NOV) for failure to conduct sewer effluent sampling in July and August.	Southwire contested these NOVs because the permit issued to the facility in June 2019 cited effluent standards and monitoring frequencies that do not apply to its operations. The City did not rescind the NOVs. However, the City agreed that there was a misperception of permit applicability and waived any further enforcement action. Subsequently, Southwire eliminated all process water discharge to the sewer and the City terminated the discharge permit.	No monetary penalty
October 22	Carrollton Building Wire Plant	A process cooling water line above a drawing solution tank failed causing the tank and its secondary containment system to overflow, releasing an estimated 1,200 gallons of process water mixed with drawing solution to Buffalo Creek. Upon discovery of the overflow, Southwire shut down the plant water system. Southwire notified the National Response Center and Georgia EPD.	Southwire called in plant personnel and outside emergency response contractors to clean up the spill. The release caused a minor fish kill. The plant implemented a number of measures to prevent similar incidents from occurring in the future, including installing piping supports, replacing the failed globe valve with a pneumatic valve, installing floor drain and manhole covers, revising emergency response procedures and implementing new inspection requirements.	No monetary penalty
December 17	Carrollton	The City of Carrollton issued Southwire a Notice of Violation (NOV) for failing to conduct sewer effluent sampling in November. Southwire failed to complete the required sampling due to administrative issues with our sampling contractor.	Southwire resolved the issue and updated internal procedures to ensure future sampling activities are performed as required.	No monetary penalty

STANDARD

DISCLOSURE

RESPONSE & OMISSION

SUPPLIER ENVIRONMENTAL ASSESSMENT

103-1

Explanation of the material topic and its Boundary

Our material topic, Sustainable Supply Chain & Procurement Practices, aligns with GRI 308 Supplier Environmental Assessment and GRI 414 Supplier Social Assessment (see below).

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

BOUNDARY

- Southwire – Corporate (Sourcing)
- External – Suppliers (all); logistics (inbound and outbound)

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 have built our family-owned business.

RESPONSIBILITIES

Southwire’s EVP of operations is responsible for the company’s distribution, sourcing and manufacturing strategy and oversees our supply chain sustainability. Southwire’s strategic sourcing department monitors 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 corresponding manufacturing plant to limit distance traveled and we use rail and intermodal transport whenever possible. The Energy & Air Emissions section provides details about our carrier contractors’ participation in the EPA’s Smart Way Program. 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.

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 to identify potential risks and opportunities.

GRI 103: MANAGEMENT APPROACH 2016

103-2

The management approach and its components

GRI 103: MANAGEMENT APPROACH 2016**103-2**

The management approach and its components

SUPPLIER SUSTAINABILITY PROGRAM

Along with our supplier relations initiatives, we actively manage our Supplier Sustainability Program, which we 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 2019, Southwire audited 82% of the suppliers in our expanded Sustainability Program.

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.

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.

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.

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.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

GRI 103: MANAGEMENT APPROACH 2016

103-2

The management approach and its components

Southwire is an active corporate member of the southeast regional chapters for both the National Minority Supplier Diversity Council (NMSDC) and the Women’s Business Enterprise National Council (WBENC). In 2019, we attended business conferences and local events sponsored by both organizations in search of qualified small and diverse businesses. Southwire also participated in regional business conferences sponsored by our customers in the Utility industry.

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 111 new small or diverse businesses to the list of approved suppliers, and diverse businesses represent 20% of Southwire’s supplier base.

Southwire’s spend with small and minority-owned businesses reached record levels in 2019, surpassing \$375 million—nearly three times what we spent with diverse suppliers in 2015.

SPEND ON DIVERSE SUPPLIERS (MILLIONS OF DOLLARS)

2015	2016	2017	2018	2019	Target
\$129	\$137	\$205	\$352	\$375	\$375

DIVERSE SUPPLIERS (PERCENTAGE OF SUPPLIER BASE)

2015	2016	2017	2018	2019	Target
11%	12%	15%	16%	20%	20%

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 assessing 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.

GRI 103: MANAGEMENT APPROACH 2016

103-3

Evaluation of the management approach

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, we increased our reach to an additional 23 suppliers as a part of Phase II. The suppliers covered in the program’s Phase I and II account for 80% of Southwire’s raw material spend (excluding metals). Southwire was unable to meet our goal to complete 100% of Phase II audits by the end of 2019 due to scheduling conflicts, but these remaining audits are scheduled for completion in 2020.

GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016

308-2

Negative environmental impacts in the supply chain and actions taken

The 31 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. See Supplier Sustainability Program above for more details.

SOCIAL TOPICS

EMPLOYMENT

GRI 103: MANAGEMENT APPROACH 2016

103-1

Explanation of the material topic and its Boundary

Our material topic, Talent Attraction, aligns with GRI 401 Employment.

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 by some candidates as more innovative and appealing.

Southwire’s employees differentiate us from the competition by ensuring we consistently deliver the best quality product to our customers in a timely manner.

BOUNDARY

- Southwire – All locations

SOUTHWIRE TOTAL REWARDS

To attract and retain talent, Southwire provides a competitive offering of employee benefits called Southwire Total Rewards that connects actions to benefits for employees. A sample of our benefits includes:

- Medical decision support to help employees navigate medical problems;
- 10 days of paid parental leave for mothers and fathers for the birth or adoption of a child and Flexible Work Schedule Policy for maternity transition (salaried employees); and
- Critical illness, accident and identity theft protection to all employees.

103-2

The management approach and its components

In 2019, Southwire continued the journey toward “ONE Southwire” for Total Rewards. We offer an extensive range of rewards to support diverse family needs and structures, extending into our inclusivity strategy of providing choices.

TALENT ACQUISITION & RETENTION

Southwire strives to attract and retain a diverse and talented workforce that will contribute to our company goals and core values. To remain competitive on quality talent, we place focus on putting culture first, communicating our employer brand effectively and optimizing our candidate experience. We also worked closely with our hiring managers to explore creative and non-traditional approaches to recruiting quality talent.

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.

GRI 103: MANAGEMENT APPROACH 2016**103-2**

The management approach and its components

College Recruiting

Southwire continues 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 third Southwire University Experience in which nearly 200 STEM and business students participated. Our Talent Acquisition team continued its participation in the Georgia Association of Colleges and Employers (GACE). Additionally, college-recruiting activities continued at numerous universities near Southwire's operations.

Partnerships with Georgia Tech's Office of Minority Educational Development (OMED), Auburn University's 100 Women Strong, Auburn University's Engineering Academic Excellence Program 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.

Student Opportunities

Southwire enhanced and grew 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.

EDUCATIONAL PARTNERSHIPS

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

Southwire Engineering Academy

The Southwire Engineering Academy (SWEA) is a cooperative internship program for high schools seniors from Carrollton City and Carroll County Schools' science, technology, engineering and mathematics (STEM) programs. The SWEA program promotes achievement in science, technology, engineering and mathematics while enabling students to apply these disciplines in a real-world manufacturing setting. In 2019, 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 by the end of 2020. Southwire currently employs five graduates of this program.

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 served 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. In 2019, 10 program participants obtained full-time positions with Southwire.

Southwire Sustainable Business Honors Program

The Southwire Sustainable Business Honors Program (SSBH), 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 a bachelor's and master's degree in business administration, along with a certificate of sustainability. Additionally, to provide hands-on experience, Southwire pairs participants with product managers and division leaders.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

GRI 103: MANAGEMENT APPROACH 2016

103-2
The management approach and its components

Southwire’s contribution includes up to 40% of the Southwire program management’s time (during the heart of the semester) and approximately \$1.1 million to the partnership. Over five cohorts of the SSBH program, there have been 14 graduates, five of which currently work at Southwire. In 2019, the final cohort completed the program. In the fall of 2019, Southwire launched a revised program—the Southwire Business Leaders Program—with five students. These students officially began their project-based internships in January of 2020.

12 for Life®

In 2007, Southwire kicked off the 12 for Life® educational recruitment initiative 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, the 12 for Life® initiative is an innovative way to build a stronger workforce for the future and bridge the skills trade gap. Through the end of 2019, a total of 2,423 students graduated from the program since its inception.

GRI 103: MANAGEMENT APPROACH 2016

103-3
Evaluation of the management approach

Southwire utilizes a number of key metrics to measure the effectiveness of adjustments in our approach to nurturing and engaging applicants with the goal of positively impacting our speed to market, including:

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

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.

In 2019, we continued to measure 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 more than 90% participation in the Total Rewards choices, proving choice is valued.

GRI 401: EMPLOYMENT 2016

401-1
New employee hires and employee turnover

		2016	2017	2018	2019
New Employee Hires	Total	1,570	1,101	1,784	999
	Rate	23.0%	15.6%	25.2%	13.5%
Employee Turnover	Total	950	1,044	1,448	1,426
	Rate	13.9%	14.8%	20.0%	19.8%

OMISSION

Confidentiality constraints for 401-1 Hires and turnover by age group, gender and region.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

OCCUPATIONAL HEALTH & SAFETY

103-1

Explanation of the material topic and its Boundary

Our material topic, Workplace Safety & Employee Well-Being, aligns with GRI 403 Occupational Health and Safety.

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 attractive culture. 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 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.

BOUNDARY

- Southwire – All locations
- External – Contractors

GRI 103: MANAGEMENT APPROACH 2018

103-2

The management approach and its components

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 a core value within the Southwire culture, and we established a goal to achieve world-class safety performance at Southwire. To achieve excellence, we established an environmental, health and safety (EHS) continuum to help our leaders advance the organization’s performance. The continuum drives improvements over four stages: reactive, proactive, systems-based and world-class. Our approach allows for flexibility at each site to deploy a site-specific strategy and highlights areas describing excellence and accountability, which further enables leaders across the organization to have a strategic vision for achieving safety and health excellence. Key areas of focus include, but are not limited to:

- Leadership commitment;
- Communication and training;
- Hazard identification and controls.
- Responsibility and accountability;
- Incident management; and

STANDARD

DISCLOSURE

RESPONSE & OMISSION

GRI 103: MANAGEMENT APPROACH 2018

103-2
The management approach and its components

RESPONSIBILITIES

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 CEO, 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.

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 have 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 2019, we continued auditing sites against these standards and scoring them on performance. This standardized system continues to support the company’s ONE Southwire philosophy, eliminate variability and facilitate the integration of new facilities and acquisitions.

GRI 103: MANAGEMENT APPROACH 2018

103-2
The management approach and its components

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 programs;
- 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

103-3
Evaluation of the management approach

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 Occupational Safety and Health Administration (OSHA) Total Recordable Injury Rate (TRIR). Our corporate EHS department monitors this data, and we found no discernable trend in occupational illness. Should any trend in occupational illness arise, we will manage it through our existing risk mitigation processes.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

403-1

Occupational health and safety management system

CERTIFICATION OF SAFETY MANAGEMENT SYSTEMS

Safety management systems provide Southwire a foundation to achieve and sustain success in workplace safety and health for all of our employees and contractors. Within our U.S. operations, Southwire is working to certify all manufacturing and warehouse operations within the OSHA Voluntary Protection Program (VPP), which consists of management commitment, employee involvement, hazard prevention and control and safety training. Operations outside the United States or those that primarily serve international customers will certify against 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.

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 VPP and similar certification programs, we adjusted our goal slightly to focus on what we can control—being ready for certification at each location by 2021. 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.).

As an organization, our primary injury categories are hand and finger injuries, strains and sprains and new to the task/new to the job incidents. Our locations cover a wide variety of processes including copper and aluminum rod casting, wire drawing, bunching and stranding, plastic extrusion and product distribution. These operations have potential for caught in, caught between, struck by, struck against, slips, trips, falls and mobile equipment related injuries.

Our employees participate in actively identifying and controlling hazards through Injury Free Event reporting, Near Miss reporting and other site level initiatives. Our facilities also utilize a Stop Work tool, which is an avenue for employees to voice concerns and have the authority to stop a job or process if there is a perceived safety risk.

403-2

Hazard identification, risk assessment and incident investigation

We utilize risk to determine control measures, following the hierarchy of controls. We also use maintenance work order systems, contractors and vendors as necessary. Our reporting systems allow for feedback and tracking.

We investigate all incidents by utilizing cross-functional teams to identify contributing factors and root cause. Our methods for investigation include, but are not limited to 5-Why, Failure Mode and Effects Analysis (FMEA) and the Fish Bone Process. These investigations include review of near miss events, first aids, and significant injuries or illnesses. We communicate findings across the enterprise where we identify similar risk potential. As part of our Contractor Safety Management system, we require contractors performing work or providing services to investigate and provide corrective actions for any incidents occurring on Southwire Property.

The company has robust complaint reporting and investigations procedures. Under these procedures, Southwire provides numerous reporting channels to any employee who believes that they are subjected to any conduct that violates Southwire’s Code of Business Conduct, the law, or company policies such as Southwire’s Equal Employment Opportunity Policy, Anti-Harassment Policy, Workplace Violence Policy and Anti-Retaliation Policy.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018

403-3

Occupational health services

MEDICAL FACILITIES

Southwire provides occupational health services for each facility through a designated provider. On-site injury response varies depending on the location, and employee training ranges from basic first aid through providing first response care for medical emergencies. Additionally, Southwire provides all employees with a resource focused on reducing musculoskeletal disorders, through Active Release Technique (ART) providers. We use this service as an early intervention tool for employee-reported discomfort. Our providers review and assess employee discomfort and offer recommendations on stretches and postures.

We manage personal health-related information and occupational health services and records by following the Health Insurance Portability and Accountability Act (HIPAA) guidelines and recordkeeping standards. Southwire’s Human Resources department maintains this information. Southwire policies follow guidelines of the Equal Employment Opportunity Commission (EEOC) and the Americans with Disabilities Act (ADA) regarding health-related information.

403-4

Worker participation, consultation and communication on occupational health and safety

COLLABORATION WITH UNIONS

Southwire operates one union-represented facility; Section 17 of the collective bargaining agreement covers safety and health. The agreement stipulates 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 meet with the union safety committee monthly to correct any safety concerns. In addition, the agreement outlines that Southwire and the union mutually support participation in OSHA Voluntary Protection Program (VPP) and actively participate in all safety programs connected to VPP implementation.

EMPLOYEE ENGAGEMENT

Our front-line employees actively participate in our safety program through numerous employee engagement activities. Sites have employee-driven safety steering committees, which follow the OSHA VPP outline. Several manufacturing facilities and distribution centers are VPP Star certified, with a goal to certify all baseline sites to VPP status over the next several years. Our front-line supervisors actively participate in our safety program through supporting the numerous engagement activities and being the first point of contact for a safety concern. Supervisors ensure employees are empowered and given the time to participate in the employee safety steering committees. Front-line leaders assist with providing resources for identifying and controlling hazards through injury free event reporting, near miss reporting and other site-level initiatives. Supervisors help manage incident investigations, corrective actions and problem solving.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018

403-5

Worker training on occupational health and safety

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.

Safety and health training plays a key role in supporting and improving the safety and health culture within Southwire. As our operations continue to modernize, worker expectations change and technology transforms, we evolve our training initiatives and find new ways to engage our workforce in training.

We develop training using cross-functional teams including employees and third-party resources. Cross-functional teams help to ensure that training is effective and meets internal and regulatory requirements. Locations are moving beyond the standard classroom setting and are engaging in different training mediums such as computer-based-training, micro-training sessions and one-on-one activities. Our training protocols have classroom and hands-on activities where necessary. As a best practice, Southwire developed a New-to-the-Job and New-to-the-Task focus. The on-boarding process now includes a minimum No-Touch Policy for these employees. This requires these designated employees to focus on observing and learning tasks, prior to even attempting hands-on training.

403-6

Promotion of worker health

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:

- **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. We track employee participation to better understand the effectiveness of our efforts to engage employees in physical fitness. Our facilities’ employee utilization rate for 2019 was 42%, 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 2019.

403-7

Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

Southwire completed 2019 with the best total recordable injury rate (TRIR) in our 70-year history. Our rate of 0.87 improved on the previous historical best of 1.23, achieved in 2018. Strategically, in 2019, the health and safety team deployed six key strategic initiatives to reduce significant injuries and fatality potential. The key initiatives include, but are not limited to, machine guarding, dock safety, ergonomics, hand and finger injury potential, new to the job/new to the task and human performance. Southwire achieved a 25% reduction or more in each of these key safety focus areas. Southwire also uses injury free event (IFE) reporting to drive employee engagement, and IFE reporting serves as a leading indicator to identify safety risk before an incident occurs.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

403-7

Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

Southwire’s efforts in 2019 included:

- Deployment of HumanTech Ergonomic System, which aids in the completion of qualitative and quantitative assessment of real-time ergonomic risk. The system proved successful in assisting operations to assign a risk ranking and develop improvement plans to further reduce and eliminate musculoskeletal disorders.
- Continued efforts around machine guarding initiatives and other leading indicators. Our focus continues to drive employee engagement as we continue our journey to a zero-incident culture.
- Deployment of internal audit protocols, allowing audits of our sites against a new protocol that incorporates a scoring mechanism to better identify areas of strength and weakness and help sites track their progress in future audits.
- Utilizing the ONE Southwire approach to maintain and improve the effectiveness of injury/incident reviews with all site leaders, EHS professionals, divisional managers and operational leadership. These sessions continue to provide informative reviews of any injuries, environmental incidents and significant near misses. Facilities share best practices from across the business in these sessions, which allows for leveraged learnings. Each facility is able to continue identifying and driving final corrective and preventative actions for their location and for sites with similar risk profiles.

GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018

403-9

Work-related injuries

	2016		2017		2018		2019	
Employees	#	Rate	#	Rate	#	Rate	#	Rate
Employee fatalities*	0	0	0	0	1	0.01	0	0
High-consequence work-related injuries (excluding fatalities) – employees	22	17	16	15	16	15	11	15
Recordable work-related injuries (including fatalities) – employees	131	1.71	103	1.31	106	1.23	75	0.87
Main types of work-related injury – employees	Lacerations, Strains/Sprains, Contusions							
Total number of hours worked – employees	15,339,768		15,753,120		17,171,014		17,310,149	
Employee TRIR†	1.71		1.31		1.23		0.87	
Employee LWDR‡	0.29		0.16		0.16		0.13	
Work-related hazards that pose a risk of high-consequence injury – employees and non-employee workers	Mobile equipment interface, pinch points, caught-in, caught-between, and struck-by injuries							
Any workers excluded from this disclosure (and why)	None							

All rates were calculated based on the number of incidents per 200,000 hours worked.

*A salesperson was involved in a fatal motor vehicle accident while driving to the airport in 2018. This devastating incident was the first work-related fatality at Southwire in more than ten years.

†Total recordable injury rate (TRIR) includes all “OSHA Recordable Injuries”—first aid is not included, fatalities are included.

‡ The lost workday rate (LWDR) is calculated as work days missed per 200,000 hours worked, beginning with the first day the employee was to work next.

STANDARD	DISCLOSURE	RESPONSE & OMISSION
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-9 Work-related injuries	OMISSION Information unavailable for 403-9: Types and rates of injury for contractors not tracked. No plans to obtain this data at this time.
TRAINING & EDUCATION		
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	<p>Our material topic, Employee Engagement & Development, aligns with GRI 404 Training and Education.</p> <p>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 performance 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.</p> <p>BOUNDARY</p> <ul style="list-style-type: none"> • Southwire – All locations
	103-2 The management approach and its components	<p>By offering unique professional development opportunities, employees enhance their skills, increase their comfort taking risks and heighten levels of engagement.</p> <p>PERFORMANCE MANAGEMENT</p> <p>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.</p> <p>We utilize a company-wide competency model that helps employees understand their personal strengths and opportunities. We focus on leadership skills and attributes that are unique to Southwire’s culture and articulate the specific implications these leadership traits have for fostering our culture and driving high performance.</p> <p>We created condensed virtual training company-wide that helps to drive participation and ownership throughout the organization on Performance Management. In 2019, all salaried employees from executive to individual contributors trained and completed the Performance Management process.</p> <p>LEADERSHIP ASSESSMENTS & DEVELOPMENT</p> <p>Reaching beyond our executive team, the Southwire Leadership Academy (SLA) develops leadership traits and enhances succession management planning through a competency-based approach. To date, the program has 56 graduates currently employed at Southwire. We graduated 25 leaders from SLA in 2019.</p> <p>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 weeklong 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.</p>

GRI 103: MANAGEMENT APPROACH 2016

103-2

The management approach and its components

LEADERSHIP DEVELOPMENT: PEOPLE MANAGERS & FRONT-LINE LEADERS

In 2019, Southwire continued 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 Company-Wide
Front-line Leaders	623
People Managers	147

Both groups completed training in Q4 2019. 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

Evaluation of the management approach

To track employee engagement, Southwire conducted three Living Well Employee Engagement Surveys using the Peakon platform in 2019. We dedicated our first survey of the year to our International employees, allowing them to experience the new Peakon platform for the first time. Then, Southwire continued its commitment to employee feedback by hosting two additional surveys in May and October, inclusive of all full-time Southwire employees. 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. Similar to how 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 the 2019 employee net promoter score (eNPS) was a 36, using a scale of negative 100 to positive 100. This score is based on participants’ recommendation of Southwire being a good place to work. Southwire achieved an eNPS of 30 in the May survey, with an employee participation rate of 85%. In October, Southwire scored a 27, with a participation rate of 84%. Southwire remains above Peakon’s True Benchmark, with eight out of the 14 engagement driver scores trending up. Based on the survey results, Southwire’s leaders created goals and plans to sustain success in areas of high achievement and develop stronger engagement in categories identified for improvement.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

GRI 103: MANAGEMENT APPROACH 2016

103-3
Evaluation of the management approach

2018 EMPLOYEE ENGAGEMENT SURVEY

	2019	2019 Target	2020 Target
Participation Rate	84%	85%	85%
eNPS	27	36	33

GRI 404: TRAINING AND EDUCATION 2016

404-3
Percentage of employees receiving regular performance and career development reviews

	2017	2018	2019	2019 Target	2020 Target
By Gender					
Female	8%	9%	100%	100%	100%
Male	19%	27%	100%	100%	100%
By Employee Category					
Executives	100%	100%	100%	100%	100%
Senior Leaders	100%	100%	100%	100%	100%
Site Leaders/Directors	100%	100%	100%	100%	100%
Managers	0%	100%	100%	100%	100%
Individual/ Technical Contributors and Supervisors	0%	0%	100%	100%	100%

DIVERSITY & EQUAL OPPORTUNITY

Our material topic, Inclusion, aligns with GRI 405 Diversity and Equal Opportunity.

GRI 103: MANAGEMENT APPROACH 2016

103-1
Explanation of the material topic and its Boundary

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% more likely to have higher financial returns than less diverse companies, while companies in the top quartile for racial and ethnic diversity are 35% 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.

Boundary

- Southwire – All locations
- External – Board of Directors

STANDARD

DISCLOSURE

RESPONSE & OMISSION

GRI 103: MANAGEMENT APPROACH 2016

103-2

The management approach and its components

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.

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.

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; and
- Employee resource groups (see below).

RESPONSIBILITIES

Southwire’s director of diversity and inclusivity and workforce development leads the company’s inclusion efforts. In 2019, Southwire offered diverse opportunities for employees to connect and develop across 21 of our locations with active Employee Resource Group (ERG) programs. Nearly 500 employees attended various growth-focused development opportunities with both in-person and virtual options. In total, our six employee resource groups provided over 1,800 hours of learning. Employees were encouraged to build their peer relationships through book clubs, coffee breaks, a summer enrichment series, business acumen training, career stories and movie nights. ERGs facilitated over 1,200 employee touchpoints through these events. Giving back is still the core to Southwire’s culture of caring, and our employee resource groups dedicated approximately 300 hours to supporting our communities in 2019. Our footprint reached across greater Southwire, including Veteran’s Day Celebrations, Pride Festivals, our partnership with Women in Manufacturing a Habitat for Humanity home build, and more. 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 CEO, his direct reports and champions from each ERG—meets quarterly. The Inclusivity Council allows members of the ERGs to provide input directly to the Executive Leadership Team at the quarterly meetings.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

GRI 103: MANAGEMENT APPROACH 2016

103-2

The management approach and its components

In 2019, Southwire required leaders to have an inclusivity goal appropriate for their areas and tied to their performance. These goals created accountability by directly affecting incentive and salary compensation for company directors, vice presidents, senior vice presidents and executives.

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 ERG intranet site and social channels.



- 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 to develop systems that are more than just words on paper, but inclusion in action. Together Everyone Achieves More.



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



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

STANDARD

DISCLOSURE

RESPONSE & OMISSION

GRI 103: MANAGEMENT APPROACH 2016

103-2

The management approach and its components

INCLUSIVITY TRAINING

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. In addition, 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. Additionally, Southwire has invested in external partnerships like Women in Manufacturing to provide more resources and support to our employees across location and role.

DATA MONITORING & REPORTING

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 and turnover of high potential employees. We report diversity measurements along with national benchmarks quarterly to Southwire’s board of directors and senior leadership.

DIVERSE “HIGH POTENTIAL” SENIOR LEADERSHIP CANDIDATES*

	2016	2017	2018	2019
	24%	26%	30%	31%

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

103-3

Evaluation of the management approach

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.

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 Code of Business Conduct, the law, or company policies such as Southwire’s Equal Employment Opportunity Policy, Anti-Harassment Policy, Workplace Violence Policy and/or Anti-Retaliation Policy, has numerous reporting channels available to them.

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DISCLOSURE

RESPONSE & OMISSION

GRI 103: MANAGEMENT APPROACH 2016

103-3
Evaluation of the management approach

They may report in-person, by phone or by email to a local supervisor or manager, Human Resources representative or Southwire’s Office of Ethics and Compliance. Additionally, individuals can make reports or ask questions using the company’s Doing Right Helpline, which is run by an independent third-party and is available 24/7, 365 days a year. If desired, individuals may make reports anonymously to the Doing Right Helpline through a web portal, by phone or by text. Southwire thoroughly investigates all indications of such violations.

Additionally, Southwire employees may use Just Ask, a line of communication to submit questions or concerns 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 a quarterly basis. Employees can also submit emails to the champions of each ERG through Southwire’s intranet site.

GRI 103: MANAGEMENT APPROACH 2016

405-1
Diversity of governance bodies and employees

DIVERSITY INDICATORS - PERMANENT EMPLOYEES*

	2016	2017	2018	2019
Female	20%	19%	22%	21%
Male	80%	81%	78%	79%
People of Color	N/A	33%	35%	37%

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

OMISSION

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. Our goal is to launch environmental outreach programs in 100% of the communities in which we operate.

SUPPLIER SOCIAL ASSESSMENT

GRI 103: MANAGEMENT APPROACH 2016

103-1
Explanation of the material topic and its Boundary

See [GRI 308 Supplier Environmental Assessment](#) above for the management approach to our material topic, Sustainable Supply Chain & Procurement Practices.

103-2
The management approach and its components

See [GRI 308 Supplier Environmental Assessment](#) above for the management approach to our material topic, Sustainable Supply Chain & Procurement Practices.

103-3
Evaluation of the management approach

See [GRI 308 Supplier Environmental Assessment](#) above for the management approach to our material topic, Sustainable Supply Chain & Procurement Practices.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016

414-2

The 31 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. See Supplier Sustainability Program in GRI 308 Supplier Environmental Assessment above for supplier audit data.

CUSTOMER HEALTH & SAFETY

Our material topic, Product Quality & Safety, aligns with GRI 416 Customer Health and Safety.

Southwire’s products are essential 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.

103-1

Explanation of the material topic and its Boundary

Product Quality & Safety extends from our supply chain 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.

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.

BOUNDARY

- Southwire – Corporate (product design/R&D, communications); manufacturing operations
- External – Customers; end users

GRI 103: MANAGEMENT APPROACH 2016

103-2

The management approach and its components

RESPONSIBILITIES

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, when requested, reported to customers. Third-party auditors conduct routine audits 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 focus on enterprise-wide quality. Southwire’s quality directors report to our vice president of lean and quality, who reports to Southwire’s EVP, operations. Southwire’s CEO 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 EVP, Wire & Cable Group is accountable for the quality and safety of all wire and cable products.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

GRI 103: MANAGEMENT APPROACH 2016

103-2

The management approach and its components

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.

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.

QUALITY SYSTEMS

Southwire is certified to the ISO 9001:2015 standard. In accordance with this standard, Southwire focuses on identifying, prioritizing and addressing risks through our management system. The risk management process provides assurance that our Quality Management System can achieve its intended results, enhance desirable effects and achieve continuous improvement for Southwire and all of our stakeholders. 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 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.

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 patented SIMpull™ Reel™ is one of the safest ways to pull wire 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 engage with industry associations to increase awareness and train contractors on the safe use of our products. In 2019, Southwire trained more than 787 apprentices through sessions at the Electrical Training Alliance (ETA) (previously called NJATC) and National Electrical Contractors Association (NECA). We also added more than 40 online classes for remote training opportunities.

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 1,064 contractors and distributors at the Thorn Center in 2019, exceeding our goal to train 1,000 contractors during the year. The team at Southwire Solutions University (SSU) also plans to open a West Coast version of SSU in California in 2020.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

GRI 103: MANAGEMENT APPROACH 2016

103-2
The management approach and its components

PRODUCT SAFETY CAMPAIGNS

Southwire marketing developed several campaigns in 2019 around safety and productivity with contractors. The main objective of these campaigns was to demonstrate how Southwire Solutions help make jobsites safer, faster and more productive. In 2020, our plan is to focus attention on how our products and solutions enhance safety during installation. One such initiative centers on circuit solutions with SIMpull® CoiPAK™ wire payoffs and SIMpull Barrel™ drums. The combination of products with Southwire circuit solutions drives safety and productivity with our customers.

103-3
Evaluation of the management approach

EVALUATION MECHANISMS

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 2019 to reduce nonconforming part per million (NPPM) by 10% using a 2018 baseline. By listening to the Voice of the Customer, collecting data, building a system and making appropriate changes in our process, our Made to Stock (MTS) group reduced NPPM by 30 percent.

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

GRI 416: CUSTOMER HEALTH AND SAFETY 2016

416-2
Incidents of non-compliance concerning the health and safety impacts of products and services

QUALITY RELATED RETURNS (PERCENT OF REVENUE)*

	2018	2019	2019 Target
	2.2%	2.1%	2.1%

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

NON-CONFORMING PARTS PER MILLION†

	2017	2018	2019	2019 Target
	330	266	246	236

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

STANDARD

DISCLOSURE

RESPONSE & OMISSION

NON-GRI DISCLOSURES

ETHICS, ANTI-CORRUPTION & TRANSPARENCY

103-1

Explanation of the material topic and its Boundary

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. In addition, we recognize that 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 while also minimizing the risk to our company’s reputation. We expect all our business partners to operate according to our ethical standards. As such, we 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.

BOUNDARY

- Southwire – All locations
- External – Board of Directors

GRI 103: MANAGEMENT APPROACH 2016

103-2

The management approach and its components

Southwire monitors and mitigates risks—both within our business and outside of 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 all employees are expected to 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 2019, Southwire 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](#).

Southwire also attended Ethisphere’s 11th annual Global Ethics Summit with more than 580 other participants to connect and collaborate with one another. Nearly 300 organizations and 60 industries gathered to hear various speakers present on company purpose; compliance, strategy and discipline; and innovations to measure, improve and transform. In addition, Southwire attended the 18th Annual Compliance and Ethics Institute, which is the Society of Corporate Compliance & Ethics’ (SCCE) largest educational event for compliance professionals across all industries around the world. Leading industry experts cover real-world compliance issues, emerging trends and practical applications. One of Southwire’s Ethics and Compliance leaders is certified by SCCE as a Certified Compliance & Ethics Professional (CCEP)

See also [102-16 Values, principles, standards, and norms of behavior](#).

STANDARD

DISCLOSURE

RESPONSE & OMISSION

GRI 103: MANAGEMENT APPROACH 2016

103-3

Evaluation of the management approach

2021 SUSTAINABILITY GOAL & TARGETS

2019 is our third progress report 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’s goal of being independently vetted and objectively measured on corporate responsibility and business ethics will allow us to benchmark performance against the World’s Most Ethical Companies, while also helping to inspire, inform and advance our business practices.

In 2019, we aligned the executive leadership team and top 250 managers on program objectives and action items. Among other activities, we developed our investigations protocol and toolkit, trained investigators and introduced the Doing Right Helpline. The Doing Right Helpline is run by an independent third party and is available 24/7 for employees to report concerns or questions anonymously. We also developed a case management system for ethics concerns that includes a dashboard and enhanced reporting functionality.

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. During such training sessions, 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 share these examples to emphasize that these scenarios conflict with our culture and can undermine our stakeholders’ positive view of Southwire. In addition to general workforce training, we also conduct targeted risk-based training. For example, as discussed in greater detail below, all employees travelling internationally receive focused anti-bribery training.

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 established a policy to train all new employees who join the company in connection with an acquisition on our policies, including policies and practices related to anti-corruption and ethics. There were no acquisitions completed in 2019, but our training policy will apply to all future acquisitions.

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. Training prepares employees for possible encounters with corrupt activities. In addition, training includes 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.

HOLDING SUPPLIERS ACCOUNTABLE

Southwire’s [Conflict Minerals Policy](#) and [Human Trafficking Policy](#) are available on the company’s corporate website. To demonstrate our commitment to these policies, we rigorously enforce them along our supply chain. Along with our Supplier Code of Conduct, these policies were included in our new Ethics and Compliance program plan. We provided even greater ethical rigor within our supply chain as we deployed the plan in 2019.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

NON-GRI DISCLOSURE

TOPIC-SPECIFIC INDICATOR

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

For greater transparency, we engage our stakeholders in a variety of ways. In the infrequent case of a spill or other release to the environment, Southwire notifies the appropriate regulatory authorities and informs leadership 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.

See [307-1](#) for a list of 2019 Regulatory Actions. We are pleased to report there were no monetary fines for regulatory non-compliance in 2019.

TECHNOLOGY & INNOVATION

103-1

Explanation of the material topic and its Boundary

Technology and innovation are critical to maintain Southwire’s market leadership and to 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. 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, research and development (R&D), product management, manufacturing operations, legal and marketing.

BOUNDARY

- Southwire – Corporate (product design, marketing, IT, legal, HR); manufacturing operations, customer service centers, sales offices
- External – customers (all); end users (all)

GRI 103: MANAGEMENT APPROACH 2016

103-2

The management approach and its components

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: core, adjacent and 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 together, including wire & cable solutions, power component solutions, service solutions, digital power solutions and tools, components & assembled solutions.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

GRI 103: MANAGEMENT APPROACH 2016

103-2

The management approach and its components

RESEARCH & DEVELOPMENT

Southwire’s strength in Technology and Innovation stems from the company’s 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 engages with the commercial teams 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 getting feedback on 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.

In 2019, we continued to focus research and development in key growth areas that include safety and reliability, data and communications, transportation, grid modernization and sustainability and various other strategic market verticals. Additionally, our innovations are targeted toward improving contractor safety and supply chain sustainability through late-point definition of products.

INNOVATION EXPERIENCE

We continue to leverage our Spark Studio, located in the Tech Square Community on Georgia Tech’s Campus, to improve internal processes, set strategic direction, and identify new product and market opportunities. Our presence at Georgia Tech helps us monitor megatrends, market trends and technology transformations that could affect the wire and cable business in order to ensure Southwire is not blindsided by disruptive technology and that Southwire can take advantage of new technologies and business models of the future.

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.

103-3

Evaluation of the management approach

2021 SUSTAINABILITY GOAL & TARGETS

To emphasize our commitment to research and development (R&D) focused on our customers’ needs, Southwire launched an aggressive Technology and Innovation goal in 2017 with corresponding targets.

GRI 103: MANAGEMENT APPROACH 2016

103-3

Evaluation of the management approach

DEVELOP AND COMMERCIALIZE FOUR BREAKTHROUGH SOLUTIONS TO CUSTOMERS' SUSTAINABILITY CHALLENGES

Target	2016 Baseline	2017 Status	2018 Status	2019 Status	2021 Target
10% of EBITDA (earnings before interest, taxes, depreciation and amortization) in the funnel	8%	6%	7%	5%	10%
\$1 billion of incremental revenue tied to these solutions (15% of projected 2021 revenues)	\$0	\$0	\$220 million	\$288 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 and industrial. 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 2019:

- Variable Frequency Drive (VFD) 600/1000V Reduced Diameter Flexible Cable
- VFD Shield Termination Kit
- MachineFlex® Power Cable

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.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

GRI 103: MANAGEMENT APPROACH 2016

103-3

Evaluation of the management approach

In 2019, we developed and launched several innovative products:

- Sumner® HoistsRomex™
- BoxJaw™ Wire Strippers
- SIMPush™ Push to Install Conduit Fittings
- Handheld LED Lighting (SL20RSW, SL50RSW, HL12RSW, HL25RSW, AL20RSW, AL60RSW, AL60CSW, AL100CSW)
- Tray Rollers
- Hook Sheaves
- Made in America Drivers (USA Nut Drivers, Cabinet Tip Screwdrivers, USA Keystone Tip Screwdrivers, USA Phillips Head Screwdriver, USA #2 Square Tip Screwdriver)
- Electrician's Hammer (BMEH18 and BMEH20)
- Insulated Drivers
- Jobsite LED Lantern Lights (T50060W and T50100W)
- Multi-Tool Pliers and Wire Strippers (SCP9TPCB, S7N1HD, SNM1214HD, S816SOLHD)
- QWIKrope® Soft Shackle Links
- Hang-A-Light® Work Lights (T60100 and T60150)

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®) 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. In recent years, our Metals group expanded into adjacent markets by developing new technologies such as aluminum ultrasonic degassing (Ultra-D® brand) and ultrasonic grain refining (Ultra-G™ brand) systems.

The world leader in continuous cast copper rod markets, SCR system sizes range from 7 to 54 metric tons per hour. SCR also holds the number two market position in aluminum, with system sizes ranging from 2.5 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.

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).

For more information on our products and services visit our [Products](#) webpage.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

GRI 103: MANAGEMENT APPROACH 2016

103-3
Evaluation of the management approach

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. To see our 2019 innovation awards, visit our [Building Worth](#) webpage.

ACTIVE PATENTS

	2016	2017	2018	2019
	457	480	518	501

NON-GRI DISCLOSURE

Topic-Specific Indicator

See our [webpage](#) to learn more about Southwire’s innovation awards.

UNGC INDEX



UNGC PRINCIPLE	REPORT LINKS	SPECIFIC SECTIONS
HUMAN RIGHTS		
1. Businesses should support and respect the protection of internationally proclaimed human rights.	308 Supplier Environmental Assessment	<ul style="list-style-type: none"> • Strategic Sourcing & Procurement • Supplier Sustainability Program • Human Rights Policies
2. Businesses should make sure that they are not complicit in human rights abuses.	308 Supplier Environmental Assessment	<ul style="list-style-type: none"> • Strategic Sourcing & Procurement • Supplier Sustainability Program • Human Rights Policies
LABOUR		
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	102-47 List of material topics	<ul style="list-style-type: none"> • List of material topics
	403 Occupational Health & Safety	<ul style="list-style-type: none"> • Collaboration with Unions
4. Businesses should uphold the elimination of all forms of forced and compulsory labour.	308 Supplier Environmental Assessment	<ul style="list-style-type: none"> • Supplier Sustainability Program • Human Rights Policies
5. Businesses should uphold the effective abolition of child labour.	308 Supplier Environmental Assessment	<ul style="list-style-type: none"> • Supplier Sustainability Program • Human Rights Policies
6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	405 Diversity & Equal Opportunity	<ul style="list-style-type: none"> • Policies & Commitments

UNGC PRINCIPLE

REPORT LINKS

SPECIFIC SECTIONS

ENVIRONMENT

7. Businesses should support a precautionary approach to environmental challenges.

Environmental Topics

- 301 Materials
- 302 Energy
- 303 Water & Effluents
- 305 Emissions
- 306 Effluents & Waste
- 307 Environmental Compliance
- 308 Supplier Environmental Assessment

302 Energy
303 Water & Effluents
306 Effluents & Waste

- Policies

302 Energy
303 Water & Effluents

- 2021 Sustainability Goals & Targets

302 Energy

- Energy Management

305 Emissions

- Strategic Sourcing & Logistics

8. Business should undertake initiatives to promote greater environmental responsibility.

301 Materials

- Streamlining Products & Packaging
- Minimizing Materials with Negative Health Impacts
- Reusing Materials at End of Life
- 301-3 Reclaimed products and their packaging materials

303 Water & Effluents

- Environmental Management Systems

9. Business should encourage the development and diffusion of environmentally friendly technologies.

Technology & Innovation

- 2021 Sustainability Goals & Targets
- Research & Development
- Customer-Focused Innovation

ANTI-CORRUPTION

10. Business should work against corruption in all its forms, including extortion and bribery.

Ethics, Anti-Corruption & Transparency

- 2021 Sustainability Goals & Targets
- Standards of Conduct
- Training