



**STRONG.
SUSTAINABLE.
SOUTHWIRE.**



2020 GRI CONTENT INDEX

COVID-19 RESPONSE

The COVID-19 pandemic set the stage for a very unique year in 2020. As an essential business, we continued to operate without significant interruption, and throughout the pandemic, we have been able to unite as ONE Southwire to overcome potential business disruptions by collaborating with our stakeholders and prioritizing safety.

When COVID-19 first became a concern, we assembled a task force of leaders from across the company, which continues to meet regularly to proactively manage our response. This team continues to meet on a regular basis and monitors the situation closely, utilizing guidance from the Centers for Disease Control and Prevention (CDC) and other international and local health authorities.

In addition to promoting the use of face coverings and social distancing, we have implemented many added safety measures, including enhanced sanitization, pre-screening questions, travel restrictions and contact tracing. We also implemented on-site testing at several of our facilities. To support our office workforce, we continue to embrace technology to optimize our remote work environment. We believe these initiatives have contributed to keeping our communities safe while we continue to operate to meet the needs of the business and our stakeholders.

At the onset of the pandemic, our wire, cable, extension cords and other products and services were integral in the construction of temporary medical facilities. Our Tools, Components and Assembled Solutions business supplied temporary power and lighting to triage tents, Southwire SPEED™ Services enabled us to deliver crucial products on an expedited schedule, and we continue to work to best meet the needs of our customers.

For our communities, Southwire's efforts toward Giving Back did not waver through the pandemic. Through our company's giving and our volunteers' efforts to find ways to serve virtually, we were able to keep making an impact in the places we call home.

SAFETY

The safety of Southwire's people remains our top priority. We are proud to have achieved our best safety performance in the company's history in 2020. This involved all of our teams. We will continue to keep the well-being of our people at the forefront, and we aim to be even safer in 2021.

Additionally, we're also maintaining a strong focus on quality and continue to promote and ensure best practices in the realm of cyber security. We continue to encourage our employees to be cautious, assertive and protective with technology.

STRATEGY

As we strive to become a sustainable, premier diversified electrical company over the next decade, we continue to refine and execute on our strategic plan. By continuing to Build Organizational Capability, Drive Operational Excellence and Accelerate Growth, we believe our ONE Southwire approach will succeed at creating and delivering solutions for our customers.

We will also continue to assess transformational trends and influences that could impact our future as we implement initiatives to strengthen and grow our core wire and cable business and explore opportunities to diversify. We believe our strong brand, market position and financial strength uniquely position us to achieve these objectives.

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. As we strengthen our company's culture of empowerment, trust, consistency and inclusion, we have introduced many companywide diversity and inclusion initiatives, and Rich has personally signed on with the CEO Action for Diversity & Inclusion, the world's largest CEO-driven business commitment to advance D&I in the workplace.

Employee engagement remains important to us, and we measure engagement through 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 we 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. During the pandemic, we contributed more than a million dollars toward COVID-related efforts, and our volunteers participated in many

virtual events and service opportunities throughout the year. Please see our [webpage](#) for more information on community activities related to Giving Back.

Our deep commitment to the environment, social welfare and governance has been widely recognized as exemplary. In February of 2020, we were honored to be named as a top employer by DiversityJobs.com, and in May 2020, Southwire was recognized by Deloitte and The Wall Street Journal as part of the U.S. Best Managed Companies program.

Also, as an active signatory to the United Nations Global Compact, Southwire is pleased to reaffirm its continuing commitment and support of the ten principles of the Compact and their integration into our business.

We have much to be proud of as we look back at how we navigated the challenges of 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,



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

Rich Stinson
President and CEO



A handwritten signature in black ink that reads "Burt M. Fealing".

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

Our primary vertical markets include:

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

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.

102-7

Scale of organization

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.

Headquartered in Carrollton, Georgia, we have more than 7,000 full and part-time employees working in more than 40 cities throughout the United States, Mexico, Canada, Honduras, China and the Netherlands. With approximately 1.9 billion pounds of products and \$5.5 billion in net sales in 2020, Southwire continues to energize the lives of people everywhere.

To maintain the confidentiality afforded to a private company, Southwire chooses not to publicly report total capitalization.

EMPLOYEES BY GENDER AND REGION BREAKDOWN

2020 Employees		Employment Contract Permanent * †	Employment Type Full Time	Employment Type Part-Time
Gender	Male	5,266	5,156	110
	Female	1,611	1,526	85
Region	United States	6,347		
	Honduras	340		
	Mexico	220		(Not required)
	Canada	109		
	China	51		
	Netherlands	4		
	2020 Total		7,071	6,876

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

†In 2020, Southwire did not directly employ any temporary employees

As of December 31, 2020, we compiled human resource data through our SAP SuccessFactors application, which does not include employee data for Mexico, Honduras, Shanghai, China and the Netherlands. Therefore, breakdowns by gender and employment type do not represent Southwire's entire population of 7,071 employees.

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

In 2020, we had the following organizational changes: acquired Madison Electric Products, Construction Electrical Products (CEP) and American Elite Molding (AEM); divested our operations at Hayesville, NC and Avon Lake, OH; and we closed the UK office of Sumner Manufacturing. There were no significant changes to our supply chain.

102-11

Precautionary principle or approach

While Southwire does not formally address the precautionary principle, we assess environmental and safety risks related to our operations.

102-12

External initiatives

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 13,000 participating companies 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](#).

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.

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:

- 100+ Women Strong, Auburn University
- Aluminum Association
- ABB Industry Expert Day
- American Copper Council
- American National Standards Institute (ANSI)
- ASTM International
- Canadian Standards Association
- Colombian Institute of Technical Standards and Certification (ICONTEC)
- 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
- Engineering Young Alumni Council, Auburn University

102-13

Memberships of associations

DISCLOSURE

DESCRIPTION

RESPONSE

- 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 Mexico
- 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)
- Power Delivery Intelligence Initiative (pdi2)
- Rocky Mountain Electrical League (RMEL)
- Rockwell Automation's Encompass Partner Program
- Society of Automotive Engineers (SAE) International
- Technical Subcommittee on Specialized Wiring Systems – C231(ICCM06)
- The Steven A. Denning Technology & Management (T&M) Program, Georgia Tech
- UL Latin America
- UL Standards Technical Panels (Various)
- U.S. Green Building Council
- 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)
- Women in Manufacturing Association (WiM)

DISCLOSURE

DESCRIPTION

RESPONSE

STRATEGY

102-14	Statement from senior decision-maker	Southwire Company, LLC issued a leadership letter included above in connection with our 2020 Sustainability Report.
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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. Southwire's Code of Business Conduct outlines our mission, business philosophy, values and standards and implemented training on the same. In 2020, our chief executive officer (CEO) and ethics officers participated in companywide broadcasts discussing our Ethics and Compliance program.</p> <p>See our webpage for more information on Ethics, Anti-Corruption & Transparency.</p>
102-17	Mechanisms for advice and concern 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 at 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. We utilize a case management system for investigations, which allows us to track reports received and maintain analytics on the nature of the reports to improve investigatory actions and inform remediation and training protocols. For a company of our size, historically we have received few significant incidents or litigation.</p> <p>See our webpage for more information on Ethics, Anti-Corruption & Transparency.</p>

GOVERNANCE

102-18	Governance structure	<p>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 governance ensures accountability and good management practices across the organization. Clear communication up and down the organization supports Southwire's robust governance structure.</p> <p>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.</p> <p>Based on our commitment to strong governance, our board includes 12 members: three are shareholders, one represents top management and eight—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</p>
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DISCLOSURE

DESCRIPTION

RESPONSE

102-18

Governance structure

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 has had an independent Sustainability Committee 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, ethics and compliance program, 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**.

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 review.

DISCLOSURE

DESCRIPTION

RESPONSE

102-18

Governance structure

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.

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 at least 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.

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 2% of our full-time employees in 2020, 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.

102-43

Approach to stakeholder engagement

Approach	Frequency	Topics & Concerns Raised
Employee Engagement Survey	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
Lean	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

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.

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 As needed: <ul style="list-style-type: none"> Materiality assessment 	<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 As needed: <ul style="list-style-type: none"> Materiality assessment 	<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 As needed: <ul style="list-style-type: none"> Materiality assessment 	<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

102-43

Approach to stakeholder engagement

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	As needed: <ul style="list-style-type: none"> Materiality assessment 	<ul style="list-style-type: none"> Water & Wastewater Giving Back Energy & Air Emissions Operational Waste

102-44

Approach to stakeholder engagement

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

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

Southwire’s 2018 materiality assessment is 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 <ul style="list-style-type: none"> • 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	Previously reported Scope 1 and 2 GHG emissions for 2018 and 2019 were updated based on an internal review of energy usage information and revised applicable emission factors. Most notably, Scope 2 GHG emissions were updated to reflect the eGRID factors for 2018 published by US EPA in January 2020.
102-49	Changes in reporting	There are no changes in reporting.
102-50	Reporting period	The information in this sustainability report covers calendar year 2020.
102-51	Date of most recent report	We published our most recent report, covering calendar year 2019, on July 30, 2020.
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 .

DISCLOSURE**DESCRIPTION****RESPONSE**

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, 2019 or 2020 data third-party verified.

TOPIC SPECIFIC DISCLOSURES



STANDARD	DISCLOSURE	RESPONSE & OMISSION
ECONOMIC TOPICS		
ECONOMIC PERFORMANCE		
GRI 103: MANAGEMENT APPROACH 2016	103-1 Explanation of the material topic and its Boundary	<p>Our material topic, Financial Performance, aligns with GRI 201 Economic Performance.</p> <p>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.</p> <p>BOUNDARY</p> <ul style="list-style-type: none"> • Southwire – All locations • External – Shareholders; suppliers; creditors; communities where Southwire operates
	103-2 The management approach and its components	<p>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.</p> <p>GOVERNANCE</p> <p>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.</p>

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.

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 and raw material sourcing); 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, easier 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 2020 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.

RESPONSIBILITIES

Our executive leaders of research and development (R&D) and sustainability ensure that product responsibility continually progresses, and they update our CEO every quarter on the status of our current goals. Sustainability responsibility 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 facility 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.

**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

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 voluntary, 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*

	2018	2019	2020
	39,753	45,677	60,199

*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)*

	2018	2019	2020
	10%	10%	8%

*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

**GRI 103:
MANAGEMENT
APPROACH 2016**

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 DCN Cables, ProBuilt Professional Lighting, Garvin Industries, Madison Electric Products, Construction Electrical Products (CEP) and American Elite Molding (AEM) 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)

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, corporate sustainability department 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 sustainability across Southwire.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

**GRI 103:
MANAGEMENT
APPROACH 2016**

103-2
The management approach and its components

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

ENERGY MANAGEMENT

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 have made and continue 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 2020, Southwire completed the installation of a solar system at our corporate headquarters. The system includes two electric vehicle (EV) charging stations, two solar picnic tables, and a solar canopy located over the expectant mother and handicapped parking area. At various locations throughout the installation, “communication boards” were installed to describe and identify Southwire products (wire, cable, conduit, connectors, and clamps) within the array. Continuing our support of the electrification of the transportation sector, two additional EV charging stations were installed at our North Campus Plant, bringing our company-wide total to seven installations.

103-3
Evaluation of the management approach

2025 CARBON REDUCTION GOAL

By setting a carbon reduction goal, Southwire demonstrates a visible and meaningful commitment to address climate change.

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 increase 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. In pursuit of Carbon Zero, Southwire will continue to engage, build partnerships and collaborate with suppliers, customers and others to reduce our carbon footprint.

**GRI 302:
ENERGY 2016**

302-1
Energy Consumption within the organization

	2018	2019	2020
Total energy consumption (GJ)	3,907,307	3,755,999	3,873,798
Total electricity consumption* (GJ)	1,900,864	1,820,409	1,851,012
Total energy consumption from renewable sources (GJ)	437	461	4,176
Total fuel consumption from renewable sources (GJ)	0	0	0

* Information obtained from utility bills, estimates used where data unavailable; Energy consumption calculated based on 1,020 Btu/cf natural gas (EPA AP-42 Section 1.4 for Natural Gas Combustion), 90,500 Btu/gal propane (EPA AP-42 Section 1.5 for Liquefied Petroleum Gas Combustion), 1,054.2 Joules/Btu, 3.6 MJ/KWh

STANDARD

DISCLOSURE

RESPONSE & OMISSION

**GRI 302:
Energy 2016**

302-3
Energy intensity

OMISSION
Information unavailable for 302-3: Southwire does not track or report energy intensity.

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 environmental, financial and reputational consequences.

BOUNDARY

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

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. 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 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.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

**GRI 103:
MANAGEMENT
APPROACH 2018**

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. Southwire’s “baseline” reported water use covers manufacturing plants, warehousing operations and offices, except those included in the United Copper Industries (UCI), Sumner Manufacturing, DCN Cables, ProBuilt Professional Lighting, Garvin Industries, Madison Electric Products, Construction Electrical Products (CEP) and American Elite Molding (AEM) acquisitions. As indicated in the table, our performance improved by approximately 9.8% since 2016. Our performance improved in 2020 primarily due to water reduction refocused efforts at key locations. Water usage was also impacted by COVID-19 as our offices were closed for much of 2020.

	2016 Baseline	2018	2019	2020
Water Use Intensity (gallons/ton)*	298	277	285	269

*2016 baseline values and 2018-2019 data were revised to reflect corrections to site production numbers following the implementation of SAP at all sites, which altered the intensity calculation

**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 and pollutant parameter 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 that have industrial activities exposed to stormwater contact, discharge wastewater to the sewer above certain thresholds, and/or are subject to 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.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

**GRI 303:
WATER AND
EFFLUENTS 2018**

303-3
Water withdrawal

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

TOTAL WATER WITHDRAWAL (ML) * † @

	2018	2019	2020
Total Water Withdrawal (ML)	895	898	851
Well Water/Groundwater (ML)	141	134	131
Rainwater (ML)	149	174	107
Municipal (ML)	606	589	613

* 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.

@Water usage is for all sites (not just 2016 baseline sites) except for mid-year acquisitions.

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)

	2018	2019	2020
Total Water Withdrawal (ML)	56	62	63
Well Water/Groundwater (ML)	0	0	0
Rainwater (ML)	0	0	0
Municipal (ML)	56	62	63

OMISSION

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

STANDARD

DISCLOSURE

RESPONSE & OMISSION

**GRI 303:
WATER AND
EFFLUENTS 2018**

303-4
Water discharge

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

	Carrollton Copper Rod Mill	Kentucky Plant
Destination	Buffalo Creek	Ohio River
2020 total volume of planned water discharges (ML)	238	65
2020 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

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.

**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. Southwire has established internal Scope 3 targets, but, at this time, we have not publicly announced a specific Scope 3 reduction goal. In the meantime, we are engaging with various internal and external stakeholders to explore potential opportunities to reduce our Scope 3 emissions.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

	2018	2019	2020
Freight Spend with SmartWay Carriers	84%	86%	94%

103-3
Evaluation of the management approach

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

**GRI 305:
EMISSIONS 2016**

305-1
Direct (Scope 1) GHG emissions

Southwire’s “baseline” reported GHG emissions covers all manufacturing plants, warehousing operations and offices with 25 employees or more, except those included in the DCN Cables, ProBuilt Professional Lighting, Garvin Industries, Madison Electric Products, Construction Electrical Products (CEP) and American Elite Molding (AEM) acquisitions. Previously reported Scope 1 and 2 GHG emissions for 2018 and 2019 were updated based on an internal review of energy usage information and revised applicable emission factors. Most notably, Scope 2 GHG emissions were updated to reflect the eGRID factors for 2018 published by US EPA in January 2020.

	2018 Baseline	2019	2020
Gross Direct (Scope 1) GHG Emissions (metric tons of CO2e)*	106,055	103,370	100,034

*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.

**GRI 305:
EMISSIONS 2016**

305-2
Direct (Scope 1) GHG emissions

	2018 Baseline	2019	2020
Energy Indirect (Scope 2) GHG Emissions (metric tons of CO2e)*	262,197	251,397	240,319

*Our subscription software consolidates GHGs (CO2, CH4, N2O, HFCs, PFCs, SF6 and NF3) into CO2e. Factors in the system are either based on U.S. 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

	2018 Baseline	2019	2020
305-4 GHG emissions intensity	204	202	204

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

EFFLUENTS & WASTE

**GRI 103:
MANAGEMENT
APPROACH 2016**

103-1
Explanation of the material topic and its Boundary

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.

BOUNDARY

- Southwire – All locations

103-2
The management approach and its components

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 today as it was when we began our journey toward a more sustainable future.

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.

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 U.S. and Canadian sites, as well as weekly feedback on any specific issues that arise.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

**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 zero-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*	2018	2019	2020**
Percent of Southwire communities with e-recycling programs	4%	13%	39%	0%

*Southwire's "baseline" covers all Southwire communities except those associated with the DCN Cables, ProBuilt Professional Lighting, Garvin Industries, Madison Electric Products, Construction Electrical Products (CEP) and American Elite Molding (AEM) acquisitions.

**No recycling events were held in 2020 due to COVID-19. In addition, Southwire has adjusted our target to establish recycling program at all locations from 2021 to 2023 due to setbacks from COVID-19.

**GRI 306:
EFFLUENTS AND
WASTE 2016**

306-2
Waste by type and
management method

WASTE BY TYPE AND MANAGEMENT METHOD (TONS)

Waste Type	2018	2019	2020
Other – Miscellaneous waste streams	0	309	0
Other – Treatment	8,979	6,454	5,956
Incineration (mass burn)	53	77	0
Recovery (including energy recovery)	10,114	7,958	3,406
Landfill	353	3,859	6,298
Recycling	20,907	19,490	26,383
Total	40,406	38,147	42,042

2020 Management Method	Hazardous	Nonhazardous
Reuse	0*	Unavailable*
Recycling	0	26,382
Composting	0	0
Recovery (including energy recovery)	7	3,399
Incineration	0	0
Deep well injection	0	0
Landfill†	0	6,298
On-site storage	0	0
Other—Treatment	135	5,821
Other—Miscellaneous waste streams	0	0
Total	142	41,900

*Southwire does not centrally 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.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

**GRI 306:
EFFLUENTS AND
WASTE 2016**

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.

**GRI 307:
MANAGEMENT
APPROACH 2016**

307-1
Non-compliance with
environmental
laws and regulations

2020 REGULATORY ACTIONS

Date	Location	Incident	Actions Taken	Monetary Value
July	Carrollton Building Wire Plant	An oil sheen was observed in Buffalo Creek originating from a storm water management/containment system that services the Building Wire Plant.	Site personnel implemented corrective measures to capture the oil in the creek to the extent possible. Following an investigation, the source of this oil could not be determined; however, the release was estimated to be less than 5 gallons. The incident was reported to the National Response Center and Georgia Environmental Protection Division.	No monetary penalty
August	Carrollton Wire Mills	Southwire received a Notice of Violation (NOV) from the City of Carrollton for exceeding our total suspended solids (TSS) daily maximum sewer permit discharge limit in July.	Subsequent samples in July and August indicated TSS levels below the permit limit. Southwire continues to monitor the discharge for signs of elevated TSS levels.	No monetary penalty
October	Lafayette Plant	Southwire received a Notice of Violation (NOV) letter from the Indiana Department of Environmental Management (IDEM) for failure to submit an air permit annual compliance certification.	In fact, the plant did submit an annual certification; however, the incorrect form was used. The plant resubmitted the certification to IDEM with the correct form.	No monetary penalty
December	Denton Plant	A water line was inadvertently left open causing the cooling tower system to overflow, releasing an estimated 20,000 gallons of water which flowed to a retention area at the southwest corner of the property.	Upon discovery of the overflow, city water was turned off and the release was terminated. An outside cleanup service was used to remove the standing water. Although the release did not trigger any regulatory reporting requirements, the event was reported to the City of Denton, the Texas Commission of Environmental Quality, and the National Response Center as a conservative measure.	No monetary penalty

STANDARD

DISCLOSURE

RESPONSE & OMISSION

SUPPLIER ENVIRONMENTAL ASSESSMENT

GRI 103: MANAGEMENT APPROACH 2016

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)

103-2 The management approach and its components

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 team 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 SmartWay 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

SUPPLIER SUSTAINABILITY PROGRAM

Along with our supplier relations initiatives, we actively manage our Supplier Sustainability Program, which includes 30 critical—high-volume and essential 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

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. One domestic aluminum supplier is not a member of ICMM.

HUMAN RIGHTS POLICIES

Southwire updated our Human Rights and **Prevention of Human Trafficking Policy** to align with our focus on supply chain sustainability and ethical sourcing. Our updated policy now more explicitly and robustly addresses labor and human rights considerations and demonstrates to our stakeholders that we actively address these pressing social issues. Additionally, Southwire requires suppliers to be bound by contractual requirements that their materials comply with Conflict Minerals regulations and many other compliance obligations.

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.

**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). Southwire regularly attends business conferences and local events sponsored by organizations in search of both qualified small and diverse businesses. Southwire also participates in regional business conferences sponsored by our customers in the utility industry.

Southwire's strategic sourcing group 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 67 new small or diverse businesses to the list of approved suppliers in 2020, and diverse businesses represent 23% of Southwire's active supplier base for the year.

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. Due to changes related to the pandemic, Southwire's total spend decreased by 13% in 2020. In turn, our spend with small and diverse suppliers also decreased by 9% from the prior year's total.

SPEND WITH DIVERSE SUPPLIERS (MILLIONS OF DOLLARS)

	2018	2019	2020
	\$352	\$375	\$341

DIVERSE SUPPLIERS (PERCENTAGE OF SUPPLIER BASE)

	2018	2019	2020
	16%	20%	23%

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.

103-3

Evaluation of the management approach

ON-SITE AUDITS

Southwire developed a phased approach to our Supplier Sustainability Program audits. In 2020, we accomplished our goal to conduct on-site audits and put in place performance monitoring for critical suppliers. The suppliers covered in the program account for 80% of Southwire's raw material spend (excluding metals). Southwire has transitioned to a Supplier Scorecard Program that measures Quality, On-time Delivery, Cost Containment, and Customer Satisfaction. These scorecards are issued to the suppliers on a biannual basis.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

**GRI 308:
SUPPLIER ENVIRONMENTAL
ASSESSMENT 2016**

308-2
Negative environmental impacts in the supply chain and actions taken

The 30 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.

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

103-2
The management approach and its components

SOUTHWIRE TOTAL REWARDS

In 2020, Southwire continued our journey toward “ONE Southwire” for Total Rewards. As part of the journey, we offer an extensive range of rewards to support diverse family needs and structures, extending our inclusivity strategy of providing choices. The focus on Total Rewards continues to address holistic employee well-being and focuses on health, community, social, financial and emotional opportunities. Ultimately, our top priority is treating each other with dignity and respect while preserving and enhancing the lives of our employees by building a workplace that is inclusive, supportive and meaningful.

In 2020, our efforts around worker health were dramatically influenced by COVID-19 and its impact on our ability to provide on-site services. Due to safety concerns, all of our on-site services were curtailed. Additionally, we focused on intentional communication efforts in order to be transparent about information and business efforts.

TALENT ACQUISITION & RETENTION

Our team members provide solutions that power our communities and our homes. They work with resilience and determination that is unmatched in the marketplace. As our industry entered into an accelerated transformation that was fueled by both the pandemic and consumer demands, we recognized that recruiting and investing in the right people will help position Southwire for the future of work.

We are continually investing in the growth and development of our internal teams and balancing our workforce through the recruitment of new talent to Southwire. To attract new talent, we focus on expanding our recruitment marketing efforts, adopting emergent technology, and making data-driven recruiting decisions to guide our candidate experience.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

**GRI 103:
MANAGEMENT
APPROACH 2016**

103-2
The management approach
and its components

In 2020, due to COVID-19, to expand our talent pipeline, we quickly leveraged technology and virtual interviews for all open positions, revamped the new hire orientation experience and partnered to understand which roles in the future are ideal for remote or hybrid work. To keep pace with the talent demand, we also maximized opportunities in flex staffing solutions to augment our current teams.

In addition, in 2020, to build the necessary workforce of tomorrow, we focused on all tools and resources available to us to reach our target workforce. We also placed special attention on ways to provide our targeted external applicants with meaningful experiences through virtual job fairs, workshops and networking opportunities. Attendees at our virtual events received resume writing tips, job hunting advice and introductions to possibilities with Southwire.

Inclusive College Recruiting

Providing diverse talent pipelines through a balanced mix of internal and external talent is essential to building the most competitive teams in the industry. To accomplish this, we targeted several recruiting resources to ensure a broad base of talent pools. We proudly partner 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 Business Leaders Program).

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 school seniors from Carrollton City and Carroll County Schools’ science, technology, engineering and mathematics (STEM) programs. The SWEA program promotes achievement in STEM while enabling students to apply these disciplines in a real-world manufacturing setting.

In 2020 we launched the SWEA program virtually with 20 students for the first semester of the school year. During the 2nd semester, we offered the SWEA program to students beyond the typical STEM pathway and added additional components that allowed for an easier virtual environment. We look forward to launching the 2021 cohort with our more diverse offering.

Southwire Center for Manufacturing Excellence and Skilled for Life

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

Southwire Bridge Scholarship Program

Southwire is dedicated to providing education, exposure and developmental opportunities for the organization’s hourly workforce. The Bridge Scholarship is a one-time scholarship program for hourly employees selected to further their education through a two-year degree, four-year degree or technical certification. This will provide the opportunity for employees to pursue a degree that could enhance their career opportunities, without the financial burden. This program is available at all our manufacturing locations. This program was started in 2018 and has had 7 employees complete their educational program so far. There are 17 employees currently enrolled in classes.

**GRI 103:
MANAGEMENT
APPROACH 2016**

103-2

The management approach and its components

Southwire Business Leaders Program (formerly the 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, worked to boost the number of candidates with sustainability backgrounds for high-level executive positions.

In 2019, the final cohort completed the program. In the fall of 2019, Southwire launched the Southwire Business Leaders Program (SBLP)—with five students. The inaugural cohort of five students officially began their project-based internships in January of 2020. The SBLP is also a partnership with the Richards College of Business at the University of West Georgia. The program seeks to give students the opportunity to contribute ideas towards meaningful business and community initiatives. These ideas – along with the projects that they inspire – will have a significant and positive impact on Southwire and its workforce while allowing students to gain valuable experience with a leadership team in support of its vision and long-term strategy. The inaugural five student cohort culminated with project presentations to senior leadership in December of 2020. The 2nd SBLP cohort began in January of 2021 with four students.

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 while bridging the skills trade gap. Through the end of 2020, there were over 2,600 students. The current regional graduation rate is 95%. In 2020, despite the challenges of the COVID-19 pandemic, we continued to support the students through mentorship, financial intervention, and partnerships with technical schools that provide training connected to skill trade development.

Southwire Maintenance Apprenticeship Program

Over the next decade, it is estimated that 3.5 million U.S. manufacturing jobs will need to be filled. Southwire's Maintenance Apprenticeship Program aims to bridge the gap using a combination of classroom training with a custom curriculum and on the job training. The apprentices are brought into the company as a full-time employee at a competitive wage and with the same benefits package as any other new hire. The program takes a minimum of two years of training to complete, with the expectation that graduate apprentices will be available to fill a senior millwright position. The program is available at our Carrollton-area manufacturing facilities and will be available at some of our other manufacturing locations. Over the past four years, 40 participants have completed the program, and 14 are currently enrolled, of which 10 were enrolled in 2020.

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.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

**GRI 103:
MANAGEMENT
APPROACH 2016**

103-3
Evaluation of the
management approach

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 2020, 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

		2018	2019	2020
New Employee Hires	Total	1,784	999	1,167
	Rate	25.2%	13.5%	17.0%
Employee Turnover	Total	1,448	1,426	1,426
	Rate	20.0%	19.8%	17.8%

OMISSION

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

OCCUPATIONAL HEALTH & SAFETY

**GRI 103:
MANAGEMENT
APPROACH 2018**

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

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.

**GRI 103:
MANAGEMENT
APPROACH 2018**

103-2
The management approach
and its components

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

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 performance on workplace safety and health metrics, review safety incidents and present best practices.

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 2020, 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.

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.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

**GRI 103:
MANAGEMENT
APPROACH 2018**

103-3
Evaluation of the
management approach

DATA MONITORING AND REPORTING

We track absenteeism rates and injury types for internal purposes to determine where we need to focus our mitigation efforts (ergonomics, machine guarding, etc.). We also track occupational illnesses in our EHS data management system, which are included in our 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.

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), or ISO/OHSAS equivalent. These certifications consist of key focus areas regarding 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 remains committed to implementing and certifying a safety management system at each location utilizing a phased approach. 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—driving for locations to be certification-ready over the next several years. 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.).

**GRI 403:
OCCUPATIONAL HEALTH
AND SAFETY 2018**

403-1
Occupational health
and safety
management systems

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 production, wire drawing, bunching and stranding, plastic and rubber 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.

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.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

**GRI 403:
OCCUPATIONAL HEALTH
AND SAFETY 2018**

403-3
Occupational
health services

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 Standards of Business Ethics and Conduct, the law, or company policies such as Southwire’s Equal Employment Opportunity Policy, Anti-Harassment Policy, Workplace Violence Policy and Anti-Retaliation Policy.

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 or equivalent 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

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.

403-5
Worker training on occupational health and safety

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.

ON-SITE SUPPORT

In 2020, our efforts around worker health were dramatically influenced by COVID-19 and its impact on our ability to provide on-site services. Due to safety concerns, all our on-site services were curtailed.

403-6
Promotion of worker health

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 has continued to make an intentional effort to talk about and educate our employees on good mental health. Southwire creates ongoing communications through our Wellness Wednesday video series, provides education and information on EAP through our Optum network, highlights apps and tools that employees can utilize for mindfulness and online support, hosts virtual employee discussions around mental health and more. Southwire partners with Optum EAP to ensure employees have the resources they need for all things regarding wellness.

403-7
Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

Southwire completed 2020 with the best total recordable injury rate (TRIR) in our 70-year history with a 15% injury reduction on a year-over-year basis. Our rate of 0.83 improved on the previous historical best of 0.87, achieved in 2019. Strategically, in 2020, the health and safety team deployed injury prevention strategies to reduce significant injuries and fatality potential. The key initiatives included, but are not limited to: vehicle-pedestrian interface reduction, loading dock safety, ergonomics, hand and finger injury potential and new to the job/new to the task risk reduction. Southwire achieved a greater than 10% reduction in each of these key safety focus areas. Additionally, the company 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 2020 included:

- Deployment of HumanTech Advanced Tool, which aids in the completion of quantitative ergonomic assessments in real-time to assist in ergonomic risk reduction efforts.
- Targeted focus on “New to the Job” and “New to the Task” risk factors, utilizing focused interactions and interventions to reduce at-risk behaviors and error-likely situations.
- Continued efforts around serious injury and fatality risk reduction such as vehicle pedestrian interface and loading dock safety.
- 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

	2018		2019		2020	
Employees	No.	Rate	No.	Rate	No.	Rate
Employee fatalities*	1	0.01	0	0	0	0
High-consequence work-related injuries (excluding fatalities) – employees	16	0.19	11	0.13	18	0.23
Recordable work-related injuries (including fatalities) –employees	106	1.23	75	0.87	64	0.83
Main types of work-related injury – employees	Lacerations, Strains/Sprains, Contusions					
Total number of hours worked – employees	17,171,014		17,310,149		15,458,046	
Employee TRIR†	1.23		0.87		0.83	
Employee LWDR‡	0.19		0.13		0.23	
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

Our material topic, Employee Engagement & Development, aligns with GRI 404 Training and Education.

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.

BOUNDARY

- Southwire – All locations

By offering unique professional development opportunities, employees enhance their skills, increase their comfort taking risks and heighten levels of engagement.

PERFORMANCE MANAGEMENT

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

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.

103-2
The management approach
and its components

We created condensed virtual training company-wide that helps to drive participation and ownership throughout the organization on Performance Management. In 2020, all salaried employees from executive to individual contributors were trained on and completed the Performance Management process.

LEADERSHIP ASSESSMENTS & DEVELOPMENT

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 72 graduates currently employed at Southwire. We graduated 25 leaders from SLA in 2019. We did not host SLA in 2020 due to COVID-19 restrictions and challenges.

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.

**GRI 103:
MANAGEMENT
APPROACH 2016****103-2**
The management approach
and its components**LEADERSHIP DEVELOPMENT: PEOPLE MANAGERS & FRONT-LINE LEADERS**

Southwire continues 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. In 2020 we launched the Your Learning Your Way educational series, a competency-based virtual approach, open to all interested employees.

To track employee engagement, Southwire conducts Living Well Employee Engagement Surveys using the Peakon platform. 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 use the employee net promoter score (eNPS) to measure the Southwire employee experience. Due to the impacts of the pandemic and our desire to focus heavily on the safety and well-being of our employees first and foremost, we made the decision to conduct one enterprise-wide employee engagement survey in late 2020 while following CDC recommended guidelines. This survey was inclusive of all full-time Southwire employees across the Southwire footprint.

Our goal for the 2020 engagement survey was an employee net promoter score (eNPS) of 33, 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 40, with an employee participation rate of 89% - our highest score and participation rate achieved in any one survey round since we began using the Peakon platform. All 14 engagement drivers are trending up, and Southwire saw an 8% increase in "promoters" year over year. 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.

103-3
Evaluation of the
management approach**EMPLOYEE ENGAGEMENT SURVEY**

	2018	2019	2020
Participation Rate	85%	84%	89%
eNPS	33	27	40

STANDARD

DISCLOSURE

RESPONSE & OMISSION

**GRI 404:
TRAINING AND
EDUCATION 2016**

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

	2018	2019	2020
By Gender			
Female	9%	100%	100%
Male	27%	100%	100%
By Employee Category			
Executives	100%	100%	100%
Senior Leaders	100%	100%	100%
Site Leaders/Directors	100%	100%	100%
Managers	100%	100%	100%
Individual/ Technical	0%	100%	100%

DIVERSITY & EQUAL OPPORTUNITY

**GRI 103:
MANAGEMENT
APPROACH 2016**

103-1
Explanation of the material topic and its Boundary

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

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

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.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

GRI 103: MANAGEMENT APPROACH 2016

103-1 Explanation of the material topic and its Boundary

Our Inclusivity Mission: We will foster an equitable, 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;
- Round Tables, which connect employees with executive management in a very open dialogue about Southwire’s strengths, opportunities for improvement and growth; and
- Employee resource groups (ERGs, see below).

RESPONSIBILITIES

Southwire’s director of diversity and inclusivity and workforce development leads the company’s inclusion efforts. In 2020, we continued to mature our Diversity, Equity and Inclusion Strategy. Through the Employee Resource Group (ERG) Platform, we provided over 200 hours of development opportunities, built ten new external partnerships with underrepresented groups and provided over 150 connections around the company. Due to COVID-19 restrictions, all of these opportunities were provided in a virtual format, with diverse participation of almost 2,000 employees. To further our inclusion efforts, our Inclusivity Council—comprised of Southwire’s 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.

In 2020 we continued the quarterly cadence of the Inclusivity Council to ensure appropriate oversight and governance. Leaders were required to create a development goal connected to inclusion.

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.

103-2 The management approach and its components

**GRI 103:
MANAGEMENT
APPROACH 2016**

103-2
The management approach
and its components

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.

Group	Purpose
	<ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> 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
	<ul style="list-style-type: none"> 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
	<ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> 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.
	<ul style="list-style-type: none"> Advocates for a work environment that respects, welcomes and supports people of all sexual orientations and gender identities and enables them to bring their whole selves to work, allowing them to perform to their full potential.

INCLUSIVITY TRAINING

Southwire is 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 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. In 2020 we deployed inclusion training for all managers and front-line leaders. Over 700 leaders participated in this effort, resulting in an 85% completion rate for the target groups.

**GRI 103:
MANAGEMENT
APPROACH 2016**

103-3
Evaluation of the
management approach

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*

2018	2019	2020
30%	31%	33%

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

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 Standards of Business Ethics and 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.

They may report in-person, by phone or by email to a local supervisor or manager, Human Resources representative 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. 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.

STANDARD

DISCLOSURE

RESPONSE & OMISSION

**GRI 405:
DIVERSITY AND
EQUAL OPPORTUNITY**

405-1
Diversity of governance
bodies and employees

DIVERSITY INDICATORS - PERMANENT EMPLOYEES*

	2018	2019	2020
Female	22%	21%	21%
Male	78%	79%	79%
People of Color	35%	37%	38%

*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.

**GRI 414:
SUPPLIER SOCIAL
ASSESSMENT 2016**

414-2
Negative social impacts in the supply
chain and actions taken

The 30 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

**GRI 103:
MANAGEMENT
APPROACH 2016**

103-1
Explanation of the material
topic and its Boundary

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

STANDARD

DISCLOSURE

RESPONSE & OMISSION

103-1
Explanation of the material topic and its Boundary

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.

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 and suppliers

**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 systems, resources and strategic quality planning for 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 senior vice president of lean, quality and EHS, 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.

In the Tools, Components & Assembled Solutions Group (TCAS), the director of quality for the TCAS group ensures all policies are enforced. This director reports to the TCAS VP, Sourcing. Southwire’s EVP, Tools, Components & Assembled Solutions Group is accountable for the quality and safety of all TCAS 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 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

The majority of Southwire is certified to the ISO 9001:2015 standard, or is moving toward the goal of certification to this 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 lacerations and back strain. 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. 2020 has been a pivotal year for Southwire Solutions University (SSU) from in-person trainings to virtual trainings with deployment of our Industry Partner relationships {Independent Electrical Contractors (IEC) and the Association of Building Contractors (ABC) and Electrical Training Alliance (ETA)}. The results of the deployment of the Industry Partner relationship will be visible for years to come. In summary, Southwire:

- Trained over 8,000 people through SSU virtual and in-person events
- Trained over 100,000 people through multiple efforts with industry associations
- Partnered with Southwire Degreed team to offer SSU trainings to Southwire employees
- Expanded trainings to include all areas of Southwire; services, components, assembled solutions, and engineering

STANDARD

DISCLOSURE

RESPONSE & OMISSION

103-2

The management approach and its components

PRODUCT SAFETY CAMPAIGNS

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.

Southwire marketing continued to develop campaigns around safety and productivity with contractors. The main objective of these campaigns was to demonstrate how Southwire Solutions help make job sites safer, faster and more productive. In 2020, we focused on how our products and solutions enhance safety during installation. One such initiative is centered on circuit solutions with SIMpull® CoilPAK™ wire payoffs and SIMpull Barrel™ drums. The combination of products with Southwire circuit solutions drives safety and productivity with our customers.

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 sets an annual Quality Improvement Goal to reduce non-conforming parts 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 2020, Southwire introduced an additional metric to guide prioritization of external issues and to focus on internal process improvement. Cost of Poor Quality (COPQ) measures the lost dollars from external quality issues and internal scrap cost.

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

QUALITY RELATED RETURNS (PERCENT OF REVENUE) *

	2018	2019	2020
	2.2%	2.1%	1.9%

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

NON-CONFORMING PARTS PER MILLION

	2018	2019	2020
	266	246	183

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

**GRI 103:
MANAGEMENT
APPROACH 2016**

103-3

Evaluation of the management approach

**GRI 416:
CUSTOMER HEALTH
AND SAFETY 2016**

416-2

Incidents of non-compliance Concerning the health and safety impacts of products and services

ETHICS, ANTI-CORRUPTION & TRANSPARENCY

GRI 103:
MANAGEMENT
APPROACH 2016**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.

BOUNDARY

- Southwire – All locations
- External – Board of Directors.

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 2020, Southwire continued to discuss ways that organizations can advance and support the [UN’s Sustainable Development Goals](#).

Southwire is an active participant in various Ethics and Compliance organizations, including Ethisphere’s Business Ethics Leadership Alliance and The Atlanta Compliance and Ethics Roundtable. Such participation promotes the Company’s goal of continuous improvement and helps us stay abreast of real-world compliance issues, emerging trends and practical applications. One of Southwire’s Ethics and Compliance leaders is certified by the Society of Corporate Compliance and Ethics (SCCE) as a Certified Compliance & Ethics Professional (CCEP).

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

**GRI 103:
MANAGEMENT
APPROACH 2016**

103-3
Evaluation of the
management approach

2021 SUSTAINABILITY GOAL & TARGETS

Southwire drives to ensure the highest standard of ethical business practices within all our operations. Southwire's target of achieving recognition on Ethisphere's World's Most Ethical Companies list by 2021 was recently extended to 2025 due to resource availability and schedule impacts from COVID-19. The company'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 2020, we made terrific progress in enhancing our Ethics and Compliance program, which included a new Code of Business Conduct and a number of new compliance policies, trainings deployed on critical compliance topics, and enhancements to our investigation program and third-party helpline and enhancements to our third-party due diligence program. We also had a robust communications plan that included participation in Corporate Compliance and Ethics Week. Additionally, Southwire deployed an enterprise-wide Ethical Culture Survey that provided valuable information from employees that allows the Company to target resources and served to create greater awareness of the Ethics and Compliance program.

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.

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 sustainability website. Additionally, our supplier contracts contain robust compliance requirements. To demonstrate our commitment to these policies and requirements, we rigorously enforce them along our supply chain. Additionally, in 2020, Southwire introduced the Doing Right Connection website that promotes Southwire's emphasis on Ethics and Compliance and encourages use of Southwire's Doing Right Helpline to report suspected misconduct online, by phone, or by text. The Helpline is managed by a third-party and allows employees, suppliers, customers, and others to report confidentially and anonymously, if desired. The website also provides contact information for Southwire's Ethics and Compliance Office so that people can reach out to the team directly with questions or concerns.

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 2020 Regulatory Actions. We are pleased to report there were no monetary fines for regulatory non-compliance in 2020.

TECHNOLOGY & INNOVATION

**GRI 103:
MANAGEMENT
APPROACH 2016**

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)

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.

**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.

We continued to focus research and development in key growth areas that include safety and reliability, data and communications, transportation, grid hardening 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.

As of 2020, our new product development efforts as well as our cost out initiatives are informed by a comprehensive framework of sustainable product attributes, and our R&D projects are scored on a sustainability scale. This allowed us to establish a baseline and 55% of our ongoing R&D investment relates to sustainable products as defined. In addition, almost 50% of sales of products introduced in the last 3 years qualify as sustainable products in the broad categories of raw materials, manufacturing, installation, use phase or end of life impact.

INNOVATION EXPERIENCE

We continue to leverage our Southwire 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.

In addition, in 2020, we not only refined our portfolio management using a stage gate process but added a sustained innovation strategy to fill the funnel of new ideas with stakeholder engagement across the wire & cable businesses in the Infrastructure, Industrial and Utility segments.

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. As part of our innovation strategy, internal and external stakeholders including customers, commercial, product management, manufacturing, sustainability, quality and intellectual property functions participate in the innovation process.

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The management approach and its components

2021 SUSTAINABILITY GOAL & TARGETS

In 2021, we recast our Building Worth goal to be more forward-looking and incorporate an improved description and schedule for our metric around increasing sales of our portfolio of sustainable products and solutions. The new goal is “Grow revenue from our portfolio of innovative products, solutions and packaging that drive sustainability from approximately \$390 million in 2020 to \$1 billion in 2025.” We will no longer report R&D investment as a percent of EBIDTA.

DEVELOP AND COMMERCIALIZE FOUR BREAKTHROUGH SOLUTIONS TO CUSTOMERS’ SUSTAINABILITY CHALLENGES

Target	2018 Status	2019 Status	2020 Status
10% of EBITDA (earnings before interest, taxes, 8% amortization) in the funnel	7%	5%	4%
\$1 billion of incremental Revenue tied to these solutions (15% of projected 2021 revenue)	\$220 million	\$288 million	\$390 million

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Evaluation of the management approach

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 2020:

- MachineFLEX® Power XLPE
- MachineFLEX® Tray Control Cable 20 AWG 300/600V PVC TPE Jacket
- PoE Cable
- Southwire VFD Cable Gland
- Variable Frequency Drive VFD 1000 Volt Symmetrical Flexible Cable with 3 Grounds
- ZTACSR/VR2® Vibration Resistant Cable

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MANAGEMENT
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Evaluation of the
management approach

Tools, Components & Assembled Solutions

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

Tools, Components & Assembled Solutions, which also includes Contractor Equipment, focuses on creating innovative products that help end users of our products and services save time, increase efficiency and, most importantly, increase safety on the job site.

In 2020, we developed and launched several innovative products:

- Duct Rollers, various sizes
- Extreme Duty Tension Monitor
- Hang-A-Light® Temporary String Lights
- Maxis® Xtreme™ Bender
- PVC Heating Blanket
- Quadrant Blocks, various sizes
- Radius Duct Rollers, various sizes
- Southwire® 30K Reel Roller
- Southwire® LED Handheld Lights
- Southwire® Head Lamps
- Southwire® Work Lights
- Two Shelf Utility Cart
- Yellow Jacket™ Rechargeable Work Lights
- Yellow Jacket™ Thermal Imaging Camera

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
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Evaluation of the
management approach

EVALUATING OUR PERFORMANCE

In addition to our bold Building Worth 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. During 2020, tradeshows, etc. generally were not held due to the pandemic. Therefore, there are no product awards to share for 2020.

ACTIVE PATENTS

2016	2017	2018	2019	2020
457	480	518	501	415

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](#)

- Strategic Sourcing & Procurement
- Supplier Sustainability Program
- Human Rights Policies

2. Business should make sure that they are not complicit in human rights abuses.

[308 Supplier Environmental Assessment](#)

- 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](#)

- List of material topics

[403 Occupational Health & Safety](#)

- Collaboration with Unions

4. Business should uphold the elimination of all forms of forced and compulsory labour.

[308 Supplier Environmental Assessment](#)

- Supplier Sustainability Program
- Human Rights Policies

5. Business should uphold the effective abolition of child labour.

[308 Supplier Environmental Assessment](#)

- Supplier Sustainability Program
- Human Rights Policies

UNGC PRINCIPLE

REPORT LINKS

SPECIFIC SECTIONS

<p>6. Business should uphold the elimination of discrimination in respect of employment and occupation.</p>	<p>405 Diversity & Equal Opportunity</p>	<ul style="list-style-type: none"> • Policies & Commitments
<p>7. Businesses should support a precautionary approach to environmental challenges.</p>	<p>Environmental Topics</p>	<ul style="list-style-type: none"> • 301 Materials • 302 Energy • 303 Water & Effluents • 305 Emissions • 306 Effluents & Waste • 307 Environmental Compliance • 308 Supplier Environmental Assessment
	<p>302 Energy 303 Water & Effluents 306 Effluents & Waste</p>	<ul style="list-style-type: none"> • Policies
	<p>302 Energy 303 Water & Effluents</p>	<ul style="list-style-type: none"> • 2021 Sustainability Goals & Targets
	<p>302 Energy</p>	<ul style="list-style-type: none"> • Energy Management
<p>8. Business should undertake initiatives to promote greater environmental responsibility.</p>	<p>305 Emissions</p>	<ul style="list-style-type: none"> • Strategic Sourcing & Logistics
	<p>301 Materials</p>	<ul style="list-style-type: none"> • Streamlining Products & Packaging • Minimizing Materials with Negative Health Impacts • Reusing Materials at End of Life • 301-3 Reclaimed products and their packaging materials
	<p>303 Water & Effluents</p>	<ul style="list-style-type: none"> • Environmental Management Systems

UNGC PRINCIPLE

REPORT LINKS

SPECIFIC SECTIONS

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

[Ethics, Anti-Corruption & Transparency](#)

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